

Scottish devolution 'guillotine' is carried by 26 votes

The Government had an unexpectedly high majority of 26 in last night's Commons vote for a 'guillotine' measure limiting debate on the Scottish devolution Bill. Voting was 313 to 287. Nine

Labour MPs joined Conservatives to vote in the 'Noes' lobby. Later voting on a guillotine for the Welsh devolution Bill produced a government majority of 27. Voting was 314 to 287.

Wales vote through by 27

The Government last night passed the Commons devolution 'guillotine' carrying the measure by a majority of 26. The vote was 313 to 287. Nine Labour MPs joined Conservatives to vote in the 'Noes' lobby.

When the figures were announced by the Speaker, there was excitement among the Scottish National Party MPs, all 11 of whom voted with the Government. They made abundantly clear during the debate that they regarded devolution as a mere stepping stone to full independence for Scotland.

The Government owed last night's victory to the support of 12 out of 13 Liberals who had voted against the Government last February, and to Pled Cymru, whose three MPs, like the 11 Scottish nationalist members, voted with the Government.

Few outside the government whips had expected the Labour rebellion to dwindle to last night's size. Clearly many Labour MPs from the North who hated the Scotland Bill took refuge in the argument that there was little point in derailing the Government now when a campaign against the referendum on devolution was being launched.

The two Scottish Labour Party MPs, normally anti-Government rebels, of course also voted for devolution; so did two Irish members. The only remnant of Conservative commitment to the Government's form of devolution in Scotland were two MPs, Mr David Knox (Leek) and Mr Alick Buchanan-Smith (Angus North and Mearns).

Voting with the Conservatives, whose strength was put at about 270, were the nine Labour MPs, one Liberal, Mr Richard Wainwright (Conwy Valley), and the six Ulster Unionists.

Israel looks forward to Sadat visit

From Moshe Brilliant
Tel Aviv, Nov 16
In spite of an unexplained hitch in getting a formal invitation to President Sadat, Israel is preparing for a visit by the Egyptian leader next week or the week after.

Former Waffen-SS officers ordered out

Two former Waffen-SS officers were ordered out of Britain last night by Mr Rees, Home Secretary. They were home to promote a new history of the unit written by former members, and their visit had provoked strong protests.

Russia sells EEC butter back to Italy

The European Parliament was told yesterday that EEC butter sold cheap to the Soviet Union in 1973 and 1974 was being resold at premium prices in Italy.

Steel chief upsets Select Committee

There were bitter exchanges in the Select Committee on Nationalised Industries when Sir Charles Villiers, chairman of the British Steel Corporation, refused to give MPs details of the measures being discussed with the unions to avoid losses, estimated at £500m a year.

Dying Mr Biko was taken on 750-mile overnight drive

From Nicholas Ashford
Pretoria, Nov 16
Steve Biko, the South African Black Consciousness leader, was placed naked in the back of a Land-Rover and driven 750 miles from Port Elizabeth to Pretoria just a few hours before he died on September 12.

This was stated on the third day of the inquest into Mr Biko's death by Captain D. P. Siebert, a member of the security police team which interrogated Mr Biko for five days until his death.

Colonel Piet Goossens, the divisional commander of the security police in the Eastern Cape, both Colonel Goossens and Captain Siebert claimed to have evidence that Mr Biko was involved in violent subversive activities including setting up a united revolutionary front, an allegation also made yesterday by another security policeman, Major Harold Snyman.

Mr Sydney Kenridge, counsel for the Biko family, again interjected that the security police were trying to smear Mr Biko after his death.

Under cross-examination by Mr Kenridge, Captain Siebert said he had been ordered to drive Mr Biko to Pretoria in a Land-Rover. A military aircraft was not available. Mr Biko was naked when placed in the vehicle since a naked man was less likely to try to escape. Blankets were provided.



Private Richard Hastie, aged 17 (right), helping to fight a fire at King's College Hospital, London, early yesterday when several soldiers were overcome by smoke.

Fire puts £70m power station out of action for 'nine or ten months'

By Martin Huckerby
The Central Electricity Generating Board said last night that its £70m Tilbury B power station would be out of action for nine or ten months as a result of a fire that had burned out of control all day.

The board said it will be at least 12 hours before the damage could be checked, but it was already certain that two of the four generating sets had been seriously damaged.

One senior fire officer said: "We have boys doing a man's job." At several other incidents Servicemen received first-aid treatment for minor injuries and the effects of smoke. Four were injured while putting out a fire in an office and warehouse block in Clapton Road, central London.

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Leyland to be split up into four companies in Edwardes shake-up

By Edward Townsend
Mr Michael Edwardes yesterday unveiled his plan for a dramatic shake-up of British Leyland's top management, aimed at the devolution of power to four newly-created subsidiary companies and a streamlining of decision-making.

The main elements of the new structure of Leyland's corporate management will be a board of directors, the advisory board, a strategy panel, management resources panel and investment panel.

Lord Scarman sees danger in race law

By Marcel Berlins
Laws loaded in favour of disadvantaged minority groups, like the Race Relations Act, should remain on the statute book only for a limited period, Lord Scarman said yesterday.

He declared the general principle of equal justice for all under the law, while recognizing a temporary and limited exception in favour of members of disadvantaged groups.

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Another Briton was killed, another is missing, presumed dead, and a third is critically ill after a hovercraft blew up off the Abu Dhabi coast.

Wilson book writ
Sir Harold and Lady Wilson have issued a writ seeking an injunction to stop publication of a book, *Sir Harold Wilson* - Yorkshire, written by Andrew Roth and published by Macdonald and James. They are also claiming libel damages.

Church backs unions
Support for the principle of the union closed shop was expressed by a working party of the Church of England, subject to safeguards.

Pay ceiling doubts
Signs are clear that the increase in the total wage bill will be significant, above the Chancellor's 10 per cent target. Agreements covering four out of five workers, who should have settled since August 1, have still to be notified.

Victory not enough
for England
England beat Italy 2-0 at Wembley last night in their group two World Cup qualifying match. Italy have only to beat Luxembourg in Rome next month to reach the finals.

Minister under fire
The Opposition Labour Party in Australia called on Mr Phillip Lynch, the Federal Treasurer, publicly to disclose his business dealings because of allegations about his involvement in a land sale. Mr Lynch has denied the accusation.

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HOME NEWS

Churchmen back closed shop with safeguards

By Clifford Longley
Religious Affairs
Correspondent

Support for the principle of the union closed shop was expressed yesterday by an expert working party of the Church of England. In a report that will be sent to the General Synod of the Church of England, the working party declares: "With the safeguards for individuals... we judge that closed shops may be legitimately negotiated in our society."

The safeguards include adequate arrangements for appeals, sensitivity to individual cases in drawing up the terms of a union membership agreement, and a general exemption on religious grounds.

On the closed shop in editorial departments of newspapers, the report describes the additional safeguards proposed to protect the freedom of the press. Members of the working party said yesterday that they felt their general con-

sent to closed shops applied also to journalists, subject to those extra safeguards.

The report, which is a private member's motion debated by the synod last year, was amended into a demand for a detailed study of the question, although it retained considerable minority support.

Another debate is likely next year, with the prospect of a conflict between those who will support the report and those who feel that the church must stand up for individual freedom.

Summing up the argument of the report, yesterday, the Bishop of Middlebury, Dr. Wickham, chairman of the working party, said: "The freedom of the individual is invaded by the closed shop, but also defended by the closed shop."

The working party, representing both sides of industry, had concluded that the element of compulsion involved in a closed-shop agreement was acceptable, in return for the benefits gained by such

an agreement. The bishop emphasized that it was not such a simple agreement, but that it could be made to give greater protection to individuals. There was an element of compulsion in the nature of democracy.

The working party produced guidelines both for church members to understand the issue and for implementation of the closed shop in practice. They are that unions are a legitimate means by which working people can be protected and represented; that they must be democratic in principle and practice; that appeals machinery is needed to prevent abuse of power; and that a sense of responsibility is important.

Under the guidelines, agreements could be agreed with any exemption, negotiated in the light of circumstances. Those exemptions could be wider than the statutory exemption on religious grounds. Agreements could also exclude present employees who are not union members.

"Finally, we have seen the inevitable tensions that exist in

society between freedom and order, rights and obligations, the individual and the group. We have made the judgment, based on Christian faith, that competing claims need to be assessed in relation to the demands of love as it may be worked out in terms of the just and democratic ordering of society, the working party states.

The working party did not look for any changes in the law on closed shops, although at a press conference the Bishop of Worcester, the Right Rev. R. W. Woods, expressed misgivings about limiting the statutory exemption right to cases of religious objection. As chairman of the editorial committee of the church's board for social responsibility he had argued for an extension of that provision to other classes of conscientious objection.

The Bishop of Middlebury disagreed. Once a general conscientious exemption was established, he said, it would be open to anyone not to join a union simply by declaring it to be a

matter of genuine personal belief.

The Bishop of Worcester, asked about the effect of the existing closed-shop agreements in the case of firemen, remarked that firemen who had left their pickets to undertake life-saving missions had not so far been threatened but had in fact been praised by their union officials.

He strongly endorsed the letter from Cardinal Hume in *The Times*, and repeated the cardinal's plea for some mechanism in society to identify proper differentials between jobs, particularly where dangerous or socially necessary work was involved.

They were far from the position of someone like Sir Keith Joseph, the bishop added, who wanted to see the closed shop banned by law. Provided there was tolerance, compassion and acceptance of diversity, there was an opportunity to establish constructive closed shop agreements.

Understanding Closed Shops (Church Information Office, Church House, Westminster, SW1, 50p).

PR change urged for assembly polls

By George Clark
Political Correspondent

With the two devolution Bills now assured progress through Parliament, an all-party group of MPs yesterday tabled identical amendments to try to ensure that the new Scottish and Welsh assemblies are elected by the "additional member system" of proportional representation.

The system was recommended by the Ramsay Report, a Commission on Electoral Reform last year as a method of election to the Commons. For the Commons it was proposed that there should be a House of 640 MPs (compared with the present 635) all of whom would be elected from 480 single-member constituencies. Voting would be by the traditional X and they would return 480 MPs. The remaining 160 MPs would be elected from the regions, each having a number of additional seats proportionate to its electorate.

In the amendment tabled for the Scotland Bill, it is proposed that there should be 100 constituencies, elected by the first-past-the-post system, to be joined by 50 "additional members" to bring up the parties to overall proportionality. The total of 150 is the same as that proposed in the Bill.

The constituency members would be elected for the first election to the assembly (to elect the need for boundary changes) on the basis of one vote for each of the 42 smallest constituencies, with one seat each for Orkney and Shetland, and two each for the largest 28 constituencies making 100. The 50 additional members would be allocated to bring each party that had more than five per cent of the popular vote up to overall proportionality. These constituency members would be drawn from a "priority list" published by each party in Scotland. Each voter would have two votes on the same ballot paper.

Of these, the first would be for his constituency MP; the second would signify his party preference and would be counted towards the total for the allocation of "additional members".

The amendment to the Wales Bill is drafted on the same principle but with a total of 75 seats, as provided in the original proposal, being divided into 50 constituency members and 25 "additional members". Constituency members would be elected one each for the 22 smallest constituencies and two each for the 14 largest.

Publication of Wilson book to go ahead

By Alan Hamilton

Sir Harold Wilson, the former Prime Minister, has partially succeeded in frustrating the publication of a new book which contains hitherto unpublished allegations about his private and professional life.

The book, *Sir Harold Wilson*, by Andrew Roth, a freelance political journalist, covers Sir Harold's childhood, his marriage, political career, and Resignation Honours list, and contains many references to Lady Wilson, Lady Falkender and other figures associated with Sir Harold during his political career.

Last Friday a writ in the name of Sir Harold and Lady Wilson was issued by Oswald Hickson, Collier and Co, the London solicitors, and served on the author, publisher and printers of the book, seeking an injunction to stop publication, and claiming damages for libel and breach of confidence.

The writ claims that the book contains defamatory and confidential information about Sir Harold and her two children.

A separate writ was served on Beaverbrook Newspapers Ltd after publication in the *Daily Express* of an allegation contained in the book relating to Lady Falkender and her two children.

Last night the publishers, Macdonald and Jane's, said they had agreed to go ahead with publication today as planned. When the writ was first issued on Friday they halted distribution of copies to bookshops, took legal advice and have since resumed supplies.

When issuing the writs Sir Harold's solicitors took the additional step of writing to many bookshops and wholesalers advising them of the legal situation.

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GLC orders jamming of picket radio

Firemen at Battersea, south London, operated a "pirate" radio station yesterday, using a short-wave fire service transmitter to broadcast strike news and messages of support.

Calling themselves rank-and-file bulletin, they broadcast at two-hourly intervals for 13 hours to the other 115 fire stations in Greater London.

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Power station seriously damaged

By Annabel Ferriman

A fire at Tibbury power station, Essex, was being allowed to burn itself out last night after army fire-fighters and part-time firemen had failed to put it out.

Essex Fire Brigade said the fire had spread from the control room to the cable ducts "because of a lack of men and appropriate equipment".

The fire, which caused serious cracks in the 170m building, opened only six years ago, started at 4 am. Thirty men from the Central Electricity Generating Board left the building and three engineers who had been working on the plant were taken to hospital for a time to recover from fumes.

Fifty Servicemen in five "Green Goddesses" with senior fire officers and the power station's own firemen fought all day to contain the fire. Foam equipment and reinforcements were brought from other power stations, and by evening the fire had been contained.

Efforts were immediately switched to trying to minimise structural damage to the 1,200-megawatt coal-burning station. Two soldiers were detained in hospital because of injuries, and a third was released after treatment.

Local firemen complained later about senior officers who had dealt with the fire. They said pickets at Grays fire station were called to the fire by officers who were not supposed to be inside the building, where transmitters are housed in fire brigade vehicles.

Fireman on bail

Glyn Michael Draycott, aged 31, a fireman, of Sorby Way, Wickesley, near Rotherham, South Yorkshire, was charged yesterday with setting fire to baled straw and tarpaulins on a farm. He was remanded on bail.

Suspicion of sectarian revenge in girl's death

From Christopher Walker
Belfast

Police believe that Marcia Gregg, aged 15, the first person to die in a fire in Northern Ireland since the firemen's strike began, may have been the victim of sectarian or paramilitary revenge. She lived with her mother and three brothers and sister in a remote farmhouse at Liskilley, about eight miles from the centre of Belfast.

The Greggs, who are Protestants, moved to the house last December, soon after three women had been shot dead by raiders in a building only 50 yards away. It became clear yesterday that they had been subjected to intimidation since then. Finally, a petrol bomb was thrown through a window early yesterday.

Although no claim for responsibility had been made for the attack, the Provisional IRA or some other extreme republican group was at first suspected.

Later another theory emerged. Mr Gregg, a Crown witness at a trial that followed the murder of three

young Scottish soldiers near by, and it was suggested last night that an extreme "loyalist" group may have taken its revenge.

The 11 other members of the Gregg family escaped from the burning house, some by leaping from an upstairs window. Marcia's mother was seen alive. She had been too afraid to jump.

Lieutenant Timothy Coles, in charge of the "Green Goddesses" which went to the fire, emphasised that no fire-fighters would have been able to rescue the girl.

In the strongly republican Ballymurphy district of west Belfast a volunteer fire service of about 30 men has been set up to support the IRA. The IRA will restrict its efforts to Roman Catholic areas, but it has no ladders and only one hose so far.

In Londonderry small incendiary devices were discovered last night in two boutiques in a main shopping street. Neighbouring shop owners were asked to return to check their premises.

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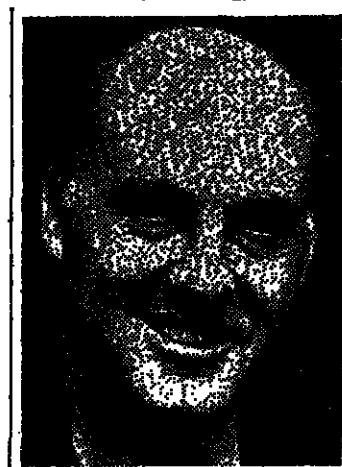
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Mr Honeycombe leaving ITN after 12 years.

Newsreader leaves ITN over firemen

By Kenneth Gosling

Mr Gordon Honeycombe resigned yesterday from Independent Television News because of his strong support for the firemen's cause.

He was suspended from news duties on Monday after 12 years with ITN because of an article he wrote in the *Daily Mail* in support of the firemen.

The suspension was to have lasted until the end of the strike, but after he had seen Mr David Nicholas, editor of ITN, a statement appeared on office notice boards saying that both men had agreed that Mr Honeycombe's wish to speak freely on the issue was incompatible with his news reading duties.

Mr Nicholas praised his "great professionalism and authority" but had already been announced that Mr Honeycombe would leave ITN on Boxing Day to concentrate on writing. But he said yesterday that he had already received offers to do more television work.

In 1975 Mr Honeycombe wrote *Red Watch*, a book about the fire service, and a paperback edition is to be published next week. Mr Honeycombe is to undertake a tour to promote the new edition.

Mr Honeycombe telephoned the Fire Brigades Union yesterday afternoon to explain that he had not been a member of the union since he had earlier refused to co-operate with an ITN film crew.

He said the Government had to take responsibility for the fire service, and that the responsibility was his, or rather the Government's.

Magistrate says he lied about sexual play

Harry Bunker, aged 60, a magistrate, agreed at Winchester Crown Court yesterday that he had lied when he denied sexual play with a girl of 16 in a toy cupboard at a children's home, and about incidents with two other girls.

Mr Bunker, formerly superintendent of the Hampshire County Council home, said: "At the time I was under a great deal of stress and when suddenly faced with the detective sergeant's questions there was a slight panic on my side."

"I knew my wife did not know what I had done, and I had two grown-up children and they did not know. I saw my whole world crashing and I had to have time to think what I was going to do about telling my wife."

Mr Bunker denies nine charges of indecent assault involving five girls at the home. Mr Roger Threlkeld, QC, for the defence, said Mr Bunker admitted five incidents involving three girls, two of them teenagers. Mr Bunker said the incidents happened after the girls had left his care at the home and were living elsewhere.

Mr Bunker described sexual play between himself and one of the girls. He denied evidence given by five girls that while they were living at the home he had indecently assaulted them, sometimes in the hall, in the toy cupboard and on holiday trips.

A Bill of Rights is vital, Lord Scarman says

Continued from page 1

"The complexities of the plural society are such that without a Bill of Rights we are in danger of losing our sense of direction." If Britain was moving towards a corporate state where the units that mattered were collective in character, where the individual's only chance of fulfilment was through the group, a Bill of Rights to his eight years at 10 Downing Street except in the context of his final honours.

"But if we have retained our view that it is man, not his method of organising himself that ultimately matters, and that the law is to be based, as hitherto it has always been, on equal justice for all, then a Bill of Rights is imperative to keep alive our principles during a period of social development in which it is necessary to load the law in favour of deprived groups."

It will enable the public to appreciate the need for the bureaucracies such laws establish, the loading of the law in favour of the disadvantaged, and the restrictions imposed on other people's freedoms are not a mere expedience to the genuine equality is achieved.

Leading article, page 15

Weather forecast and recordings

NOON TODAY Pressure is shown in millibars FRONTS

Today Sun rises: 7.22 am. Moon rises: 12.36 pm. First quarter: 9.52 pm. Lightning up: 4.39 pm to 6.54 am. High water: London Bridge, 5.49 am, 6.7m (22.0ft); 5.24 pm, 6.8m (22.3ft). Avonmouth, 11.34 am, 11.6m (38.0ft). Dover, 3.0 am, 10.2m (33.6ft); 2.39 pm, 6.0m (19.6ft). Hull, 10.41 am, 6.7m (22.1ft); 10.40 pm, 6.7m (22.1ft). Liverpool, 3.19 am, 8.4m (27.5ft); 3.45 pm, 8.6m (28.1ft).

A cold N airstream covers the British Isles. Forecast for 6 am to midnight: London, SE, central S England, East Angles, Midlands, Channel Islands: Sunny intervals, scattered showers of rain or sleet; wind NW, fresh; max temp 5°C (43°F). SW England, S Wales: Occasional showers of rain or sleet, snow on high ground; max temp 6°C (43°F).

Forecast for tomorrow: London, SE, central S England, East Angles, Midlands, Channel Islands: Sunny intervals, scattered showers of rain or sleet; wind NW, fresh; max temp 5°C (43°F). SW England, S Wales: Occasional showers of rain or sleet, snow on high ground; max temp 6°C (43°F).

Forecast for the day after tomorrow: London, SE, central S England, East Angles, Midlands, Channel Islands: Sunny intervals, scattered showers of rain or sleet; wind NW, fresh; max temp 5°C (43°F). SW England, S Wales: Occasional showers of rain or sleet, snow on high ground; max temp 6°C (43°F).

Forecast for the day after the day after tomorrow: London, SE, central S England, East Angles, Midlands, Channel Islands: Sunny intervals, scattered showers of rain or sleet; wind NW, fresh; max temp 5°C (43°F). SW England, S Wales: Occasional showers of rain or sleet, snow on high ground; max temp 6°C (43°F).

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Duke flies in for first look at royal grandchild

The Duke of Edinburgh drove straight to St Mary's Hospital, Paddington, after landing at Heathrow from Germany yesterday to see his grandson for the first time.

He

HOME NEWS

Cumbria wants to transfer its 'base' to Manchester

From John Christie
Kendal

Cumbria, geographically one of the largest counties in England, wants to leave the Government's Northern Region, which has its head office in Newcastle upon Tyne, and "rejoin" the North-West Region, based on Manchester.

Cumbria was created in 1974 out of the old Cumberland, Westmorland and parts of Lancashire. Many of its 470,000 population have felt themselves in an "unenviable position" since local government reorganization because some of the government departments that serve them are based in Newcastle, others in Manchester.

Their electricity is administered from Manchester; some gas comes from Altrincham, some from Newcastle; water is administered from Warrington and other government departments have widely differing boundaries within the county.

Yesterday the Conservative-controlled county council decided by big majorities to try once more to have the county regarded as an independent region or sub-region for planning and administration.

An attempt to obtain independent sub-regional status failed two years ago. If the new move fails, the county council intends to call the Government to task.

The move may have considerable significance for the Government, for the Government has been discussing the possibility of creating a new region in the North-West of England.

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The mixture: one level spoonful of cockroach

By John Roper

When a London mother poured the third dose from a bottle of medicine for her sick son, a cockroach dropped into the spoon and she saw other cockroaches in the bottle.

Although he had not dispensed it, she took the bottle to her local chemist, who advised her to take her complaint to Camden Environmental Health Department.

The bottle was passed to a food inspector, but he told her that as she had obtained the medicine on prescription and no money had been paid he was unable to deal with the complaint.

The matter was passed to the pharmaceutical service committee of the Camden and Islington Family Practitioner Committee.

The committee's report, published yesterday, was a plain how the cockroaches got into the bottle of mixture, which, the report says, "has a somewhat repellent smell".

If the mother had left bottles unsupervised the cockroaches would probably have made for a bottle of sweet syrupy Copevex ordered on the same prescription, the committee comments.

The chemists dispensing the medicines were found to have failed to comply with a relevant paragraph of the company's service. But as there had been no previous failure the committee decided not to withhold payment but to issue a caution.

A director of the chemists told the committee that all medicine bottles were new, were stored with their caps firmly screwed on and were washed and rinsed before use.

The company was proud of its high standards of hygiene and had never had an infestation of insects on its premises.

He agreed that some bottles were placed on the floor, but could not imagine how so many insects entered a bottle.

The bottle, the report notes, was dark brown, perhaps concealing cockroaches within. The committee poured medicine into a spoon and found a cockroach in the spoon and a cockroach in the bottle.

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Six candidates line up at Bournemouth, East

Safe Tory seat for life, barring accidents

From Michael Hatfield
Political Reporter
Bournemouth

When Mr John Cordle was obliged to resign his seat at Bournemouth, East, over the Poulson affair, he left his successor a safe Tory seat for life, majority over 10,000, so long as he does not overstep undefined boundaries.

Mr David Atkinson, aged 37, whose parliamentary ambitions have been realised earlier than he dared hope (he fought unsuccessfully the two general elections in 1974) is not likely to do that.

Judging by his comments during the present campaign it would be a surprise if he eventually went the way of a previous Tory member, Mr Nigel Nicolson, who was

discovered by the local association for daring to challenge the party leader, Sir Anthony Eden, the late Lord Avon, over Suez.

Zigzagging through Conservative policies, Mr Atkinson agrees with the left-wing Tory Reform Group on some issues, and on others supports the right-wing elements. He is a member of neither faction. "I support well-established Conservative principles", he said yesterday.

He is hot on law and order, a real issue in Bournemouth, where an elderly population, of whom more than a quarter are over 65, are said to be demonstrating growing anxiety. There has been a 30 per cent increase in robberies, and last week punk rockers inflicted damage estimated at £700 on seats at a concert in the town.

Mr Cordle has not been visible during the campaign, although he has offered assistance. After a telephone conversation with him Mr Atkinson explained: "We shall meet after the by-election so that there can be a smooth transfer."

Left-wing Labour MPs who will be contesting the register of MPs' interests when Mr Atkinson returns to Westminster after polling day on November 24, barring what would have to be a remarkable accident, will not find a vulnerable target. He is managing

the campaign, although he has offered assistance. After a telephone conversation with him Mr Atkinson explained: "We shall meet after the by-election so that there can be a smooth transfer."

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Mr Matthew (L.): Middle of the road.



Mr Goodwin (Lab): Local connections.



Mr Atkinson (C): Hot on law and order.

Mr Matthew said the party with Labour had done little to dent Liberal support. The party suffered in the local elections in May, shortly after the pact was agreed but many were now enthusiastic, although some were still doubters.

Mr Matthew is a senior lecturer in labour economics at the Dorset Institute of Further Education, whereas the Labour candidate, Mr Joseph Goodwin, aged 29, is a lecturer in liberal studies at Bournemouth College of Technology.

Three other candidates have entered the lists, including Mr Kenneth McKilliam, of the National Front. On Monday night Mr John Tyndall addressed a Front meeting attended by about a hundred people in Bournemouth. At the general election the Front polled 828 votes.

The two other candidates have hardly shown themselves. Mr William Banks is fighting as a Democratic Monarchist, Public Safety, White Resident candidate, and Mr John Phillip Pratt is standing for the New Britain Party.

General election: Mr J. H. Cordle (C) 20,790 (51.7 per cent); Mr G. H. Musgrave (L) 10,129 (25.2 per cent); Mr D. E. Lock (Lab) 8,422 (21 per cent); Mr M. Hayes (Nat Front) 828 (2.1 per cent). Electorate, 57,010 (turn-out, 70.4 per cent).

A local man who was on Bournemouth council for three years until 1976, Mr Goodwin is interested in local affairs. According to his elec-

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All three candidates differ little over the Government's pay restraint measures, although Mr Atkinson would have liked to see the police made a special case. Questions on the firemen's dispute produce elliptical phrases which, when examined mean that the Government must stand firm.

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RAF checks low-flying training jets over Wales

From Tim Jones
Cardiff

The RAF police are monitoring remote areas of rural Wales to ensure that fighter aircraft crews observe regulations governing low-level training exercises.

The checks have been initiated after complaints that RAF and Nato aircraft fly too low over small towns and villages as they simulate battle conditions.

After a recent crash of a United States Air Force F-111 fighter near Foel, Powys, Mr Emylyn Hooson, QC, Liberal MP for Montgomeryshire, said people in Mid Wales had had enough. He complained to Mr Welbush, Parliamentary Under-Secretary of State for the RAF, that the flight control regulations appeared to be honoured more in the breach than in the observance.

Mr Hooson said that in some areas rural residents were subjected to more noise than people living near Heathrow. Fighter aircraft are not supposed to fly lower than 250ft, but in valleys that ceiling is difficult to determine.

Mr Dafydd Thomas, Plaid Cymru MP for Merioneth, has been told of aircraft flying at night only 100ft above the nuclear power station at Traversfynydd.

Mr Thomas also objects to the use of Welsh air space by American and other foreign aircraft capable of carrying nuclear weapons. But he concedes that the RAF bases in Wales provide jobs for many people and he would oppose their closure until alternative work could be provided.

Environmentalists say the low-flying boom of a Buccaneer through the mountains of Snowdonia conflict with the designation of the area as a peaceful national park.

Farmers are the flights' most consistent critics, and the National Farmers' Union and the Farmers' Union of Wales have great success in claiming damages for aborted livestock and disturbed poultry.

The Minister of Defence said yesterday that flights were essential.

Woman got into deep freezer to die

Mrs Joyce Oxenham, became so depressed that she got into her deep freezer to die so that her body would not be found after 100 years.

Mrs Oxenham, aged 60, left a note to her husband saying she had gone to visit a friend. It was not until six or eight hours after she died that the police opened the 6ft by 3ft freezer and found her inside.

The contents of the freezer had been removed and stocked near by.

Calling it a slightly bizarre case, Mr Geoffrey Robins, the coroner, recorded a verdict that Mrs Oxenham took her own life while her balance of mind was disturbed.

He said it was evident that she had climbed into the freezer in the garden shed to avoid the possibility of being found before the tablets had been removed and stocked near by.

The husband, Mr Gerald Oxenham, aged 65, a coach painter, of Rosewarne Caravan Park, Camborne, said his wife had been seriously depressed for two or three years.

Appeal to MPs to stop fish shop closures

By Hugh Clayton

Fish merchants and trawlermen supported an appeal to MPs yesterday to save fish-and-chip and fishmongers' shops, two of the fastest declining sections of the high street.

The Confederation of Fried Fish Caterers' Associations, which organized a combined industry lobby at the House of Commons, said the number of fish-and-chip shops had fallen from 15,000 to 11,000 in 12 years.

Fish traders feel especially vulnerable because they are in a period of haphazard supplies between the ending of fishing regimes used before membership of the EEC and the creation of a coherent policy by the Community.

Mr Peter Worthington, secretary of the National Federation of Fish Friers, said that when frozen food companies had overcome technical obstacles to the use of blue whiting in such foods as fish fingers more traditional species would be released for friers.

The picture of the future is painted by Anthony Burgess, the novelist, in today's New Society. He and four other writers have taken part in a joint exercise in prophecy.

Mr Burgess's gloom is unfuture. "Tudland" is dominated by unions dedicated to a collectivist philosophy and opposed to work or enjoyment.

"The pattern is already here."

The day used to be divided into work, recreation and sleep. Now it is all sleep, and the sleep will soon be sounder. Work, says the syndicalist philosophy, is the death of the soul. It can only be made tolerable through disputes about pay and demarcation.

The rule of the proletariat will be an increasing reality. Private enterprise will be increasingly sabotaged, and state ownership become more and more a kind of reluctant necessity. Taxes will grow and be resented. Capital must come from somewhere.

Mr Burgess believes that already a ruling proletariat lives and prospers despite the

facade of a traditional parliamentary system.

Fee increases 'threaten sandwich courses'

By Our Education Correspondent

The fact that students on sandwich courses must now pay full tuition fees to cover periods spent away from university may endanger the future of such courses.

Dr Clifford Butler, Vice-Chancellor of Loughborough University of Technology, says:

In a letter to Mrs Williams, Secretary of State for Education and Science, Dr Butler suggests that there should be a return to the last year's status quo, when students were not charged for periods of industrial training and universities received proportionately larger funds from the University Grants Committee.

Loughborough University decided to impose the new fee, as recommended by the grants committee, only with "extreme reluctance", as it could not afford to forgo income at a time

of economic restraint, Dr Butler says. But it is deeply concerned about the effects of the new charge, particularly on self-financing students.

There are 622 students on sandwich courses at Loughborough, 59 of whom are not eligible for mandatory grants and who therefore have to pay the increase in fees of £500 a year for home students, and £650 for overseas students out of their own pockets.

Loughborough has decided to offer "assistance on a needs scale" to self-financing students already at the university who might face severe hardship. But that would not help future students.

Dr Butler wants the Government to increase the funds available for the grants committee. The committee could then increase its awards to universities and it would not be necessary to charge students.

HOME NEWS

Soho cinemas win right to show X films after judge condemns 'denial of natural justice'

A judge yesterday gave two cinemas in Soho, London, permission to continue showing X certificate films. He said that, while the court sympathized with the idea that the area had been degraded by an invasion of the sex industry, there had been a denial of natural justice in the way the cinemas had been granted or refused licences.

Judge Campbell, QC, chairman of the Inner London Appeals Committee, was giving a reserved judgment on the appeal of the owners of the Soho and Pigalle cinemas against the refusal of the Greater London Council to renew their licences. He said the two cinemas could continue in business at least until September 30, 1978.

The judge criticized the council, which has been con-

ducting a "clean up Soho" campaign, for the way licence applications were dealt with, at the most, by two members of the council's public services and safety committee. "I described the council's powers earlier as draconian, and I see no reason to resist from that description," the judge said.

"We were told that the chairman or vice-chairman exercised the power on behalf of the committee. If that is so, it is a delegation of power that is not authorized by statute or by common law and it follows that any decisions made by the chairman or vice-chairman to grant or refuse are made unlawfully and ultra vires and accordingly have no validity."

It was impossible to say that the refusal to grant licences to the two cinemas were decisions of the committee. In the

case of new cinemas requiring new licences, proper consideration by the full committee was well merited. "We hold that is what the law requires."

Continuing, the judge said: "The Conservative Party has expressed the view that there are in Soho too many cinemas showing X certificate films and it would be desirable to reduce that number."

The court accepted that the council's policy and fully understood and had sympathy with the idea that the area had been degraded by an invasion of the sex industry. But the court was not concerned with sex shops; only with cinemas showing X certificate films.

It had been admitted by the GLC that the two cinemas concerned had a comparatively good record and their front-of-house displays were less objec-

tionable than those outside other cinemas.

The two cinemas between them employed about seventy people. Given the council's declared policy, it seemed unlikely that any purchaser would have confidence in getting a licence and the property would be virtually unsaleable.

Capital investments would be lost and 70 people would lose their employment," the judge said. The appellants had been given no opportunity by the council to refute or explain and, most important, no opportunity to be heard.

"There was, in short, a denial of what we are proud to call natural justice." The decisions were therefore wholly void and could not be justified by a change of policy.

The judge ordered the GLC to pay the appellants' costs.

Dons lobby MPs to put case for more pay

By Diana Geddes
Education Correspondent

Lord Boyle of Handsworth, Vice-Chancellor of Leeds University, chairman of the Committee of Vice-Chancellors and Principals and a former Minister of Education, was among nearly seven thousand university professors and lecturers who abandoned classes yesterday to lobby MPs in support of a demand for "rectification" of pay.

That would entail salary increases of between 25 and 30 per cent but in setting the level for its recurrent grant the Government has allowed for increases of only 5 per cent. A delegation met Mrs Williams, Secretary of State for Education and Science, last night.

The pay anomaly of which the academics complain dates from 1975 when an independent tribunal recommended increases averaging about 20 per cent, plus an allowance for the rise in the cost of living, backdated to October 1974, to give the university teachers parity with their colleagues in the public sector colleges of further education.

Although accepting the scales, the Government would not allow them to be paid until October 1975. The first phase of the pay policy then intervened with the result that the university teachers received increases of only about 4 per cent.

The Association of University Teachers, which represents 29,000 out of a possible 33,000 teachers, says that an increase of about 16 per cent is required to regain parity with the further education teachers, plus another 10 per cent to 15 per cent to



University teachers at Westminster making a suitably academic point yesterday about their grievance.

Plan to halt dole for students rejected

Government proposals to prevent students claiming unemployment benefit during short vacations have been rejected by the National Insurance Advisory Committee. About 90,000 students are expected to qualify for the benefit at Christmas, including about 20,000 who have given up jobs to undergo further education.

A majority of the members of the committee, including the chairman, said in a report published yesterday that unemployment benefit should be available to students who had paid contributions and were available for work. They reaffirmed the principle that people who have contributed to the national insurance scheme are entitled to benefit from it.

Mr Orme, Minister for Social Security, announced in a statement last night that the Government will not go ahead with the proposed new regulations immediately. "We shall continue our consideration of the circumstances under which students can qualify for unemployment benefit with a view to putting forward amended proposals in due course."

Clearly the Government still intends to limit the unemployment benefit students can receive, particularly since school-leavers can qualify for benefits by paying contributions for a few months while working before going to university.

The National Union of Students said last night that it would take steps to ensure that the view of the committee that benefit should be paid as a minimum scale of £8.106, and their average salary is £9,489.

Witness says any talk of 'Sigit' is damaging

Colonel B, an expert witness, said at the secret case hearing at Tottenham Magistrates' Court, London, yesterday, that he thought the national interest to have discussed Sigit (signals intelligence) the way it had been during the hearing.

"Any reference to Sigit in the media is damaging," he added, "and the things I have said I think are also damaging." He said he had spoken on the subject only after consulting senior officials.

Colonel B, who formerly had overall responsibility for army signals intelligence, said he thought any Sigit man who had discussed the operation with a person other than within the Sigit community had breached security. Even passing an opinion on the operation was a breach.

The public was not aware of United Kingdom operations until the press case, he said. Before the court were Duncan Campbell, aged 24, a freelance journalist, of Franklin Road, Frighton, John Aubrey, aged 31, a reporter, of Times Out magazine, of De Beauvoir Road, Hackney, London, and John Ashley Berry, aged 33, former army corporal, now a social worker, of Wood Green, London.

Mr Campbell is charged with obtaining from Mr Berry information that might be useful to an enemy; revealing such information from Mr Berry and collecting information concerning defence communications that might be useful to an enemy.

Mr Berry is charged with communicating information to Mr Campbell and communicating information to him while he held office under Her Majesty Mr Aubrey is charged with aiding and abetting Mr Campbell to commit offences contrary to the Official Secrets Act.

The hearing continues today.

Demand by MPs to avoid 'unacceptable degree of dependence' on nuclear power

By Pearce Wright
Science Editor

An all-party group of MPs yesterday opened an early-day motion calling for measures to prevent Britain from becoming dependent to an "unacceptable" degree of dependence on nuclear power.

The first 14 signatures to the motion came after a lobby of Parliament by more than two hundred leading scientists, members of scientists' and environmental groups, and others who have objected to the large-scale expansion of atomic energy.

They gathered under the label Energy 2000, a meeting at the Commons, at which Mr Benn, Secretary of State for Energy, gave an account of government policy.

Mr Benn welcomed the debate over nuclear issues but indicated reservations about proposed solutions. Those doubts clearly applied to the terms of the Commons motion calling for a "reduction in dependence on nuclear power" to 90 per cent of United Kingdom expenditure on energy research and development is still allocated to nuclear power.

The motion notes that distinguished scientists have expressed anxiety about dangers that may be associated with a plutonium economy, and demands large investment in the

development of alternative energy sources and conservation technology.

While accepting the importance of alternative sources of energy from solar power, wind, waves and tides, Mr Benn saw them as long-term schemes in need of economic and environmental assessments, and certainly not as contributors of energy on a significant scale within 10 to 15 years.

A different emphasis emerged from the programme for guiding nuclear policy presented to the meeting by the Town and Country Planning Association. It requested a further expansion of nuclear power until several uncertainties had been removed and health and safety hazards fully appraised and safely eliminated.

The programme is based on the argument that no solution to the difficulties of long-term disposal of high-level radioactive waste is in sight. In addition, with serious scientific disagreement over whether low level doses of radiation are more harmful to workers and the public than present safety standards assume, or even whether there is any urgent need for the additional electricity that an expansion of nuclear power would provide, the objectors argue that the

development of new nuclear systems would be foolish.

The opponents of nuclear power have also shown awareness that the nuclear energy industry has lost one of its most important arguments: that no one has died directly because of the commercial uses of nuclear power.

That claim, when awards were made in the High Court in Carlisle on Tuesday to the widows of two plutonium workers who were said to have died as a result of working at the Windscale plant of British Nuclear Fuels.

The awards, reached by agreement included one of £22,441 for Mrs Gladys Troughton on behalf of her husband who died in 1975 from a type of cancer that can be linked with having been exposed to radiation. While accepting the award for Mrs Troughton's illness, the company agreed to pay £8,000 to Mrs Joan King, on behalf of her husband, who died of a brain tumour in 1973, but denied liability in that case.

As part of the settlement, which has been fought for more than three years, British Nuclear Fuels is establishing a scheme for autonomous compensation for the benefit of workers in the industry who suffer injury or death because of overexposure to radiation.

Tighter curb on advertisements

Dealers and people selling goods in the course of business are to be banned from advertising in newspapers without disclosing the fact. The House of Commons yesterday approved an order under the Fair Trading Act intended to oblige traders from January 1 next year to make clear in their advertisements that they are not private individuals.

The order goes to the Lords for approval today.

Mr David Lane, chairman of the Commission for Racial Equality, said it would encourage employers to keep records of the ethnic origins of employees.

Immigrants 'need tuition in English for jobs'

By Peter Evans

Up to 200,000 immigrants in Britain are thought to need training in the English language to help them at work or to get jobs, according to an estimate in a forthcoming report by the National Centre for Industrial Language Training.

The figure was given yesterday by Mr Thomas Jupp, its director, at a conference organized by the British Association for Commercial and Industrial Education in conjunction with the Commission for Racial Equality.

The report says traditionally most instruction and information about ways of doing jobs are given informally by one worker to another, but the breaking down of that system is one of the ways in which workplaces have been radically changed by multiracial work forces.

Supervisory systems that depend on common background and values are under great strain, it says. Traditional assumptions about workplace customs and practices are no longer shared, which creates difficulties in industrial relations.

Transport users' body to get stronger role

By Our Transport Correspondent

The Central Transport Consultative Committee, the main consumer body in the field is to be strengthened to monitor the fares and quality of bus and rail services under new powers to be announced by the Government. At present its role is limited to rail, and even there it is not allowed to question fare levels.

Mr Frank Higgins, the committee's new chairman, said at a press conference in London yesterday that the new powers would enable it to look at transport as a whole throughout Britain and to move into contentious areas such as road-rail integration and the replacement of rural railways with buses.

In the last-named case, it would want to be satisfied that any bus service replacing a rail service would be of a higher standard and a longer-term commitment than previously. It would also want to be sure that the Government was fully aware of people's views about the possible loss of local trains, and that all costs and benefits were being taken into account.

Thirteen arrested in £250,000 robbery inquiry

Thirteen people were arrested in Geneva, London and Newcastle yesterday in a combined operation by officers from Scotland Yard's Flying Squad and two regional crime squads investigating a series of robberies, involving at least £250,000, and two killings dating back to 1961.

After yesterday's raids a man and a woman were charged with offences involving defrauding an insurance company and another 10 men were being questioned on the nature of the robbery inquiry.

Mr Monty Johnstone, of the British Communist Party, was taken to speak in a personal capacity on the problems of Stakism and the twentieth party congress in 1956. "The difficult death of Stalin" was the prescribed text for the day. But Mr Johnstone made changes in his prepared report in order to answer the opening speech delivered last night by Professor Leszek Kolakowski, the Polish philosopher now at Oxford University.

Professor Kolakowski had argued that communism, even before the Russian revolution,

WEST EUROPE

French hand over Herr Croissant to West Germany after Paris court approves extradition

From Ian Murray
Paris, Nov 16

The French Government moved swiftly this evening to agree to the extradition of Herr Khaus Croissant, the Basler-Mainton defence lawyer.

Just five and a half hours after the Paris Court of Appeal found there were "partial" grounds in one of the two West German warrants against him, he was driven to the airport in Paris towards the border.

A West German aircraft was sent to an airstrip at Coolmeers to collect him.

His defence lawyers mounted a vigorous last-ditch effort to prevent his move. They petitioned the Supreme Court of Appeal and made moves to start proceedings within the Council d'Etat, which can overrule Government decisions. But the judges of the four made it impossible for them to do anything. The decision was sent through to the prison just after 8 pm, and he was on his way 45 minutes later.

The Court of Appeal decided that there was a case for Herr Croissant to answer under the warrant issued on July 15 at Stuttgart. Part of this alleged

that he had made use of his position as a lawyer to help to set up and run a communications system to keep prisoners in touch with other members of the gang both inside and outside the prison.

Under West German law this offence would carry the maximum penalty of five years' jail. This was the only part of the warrant agreed by the court, which then referred it to the French Government for a final decision.

The court turned down the second warrant, issued on September 30, at Karlsruhe, which claimed that Herr Croissant was conspiring with a gang of criminals who were plotting and carrying out crimes including robbery and murder. According to the French court, the evidence for this was circumstantial.

Herr Croissant will, therefore, have to stand trial in West Germany for only the one offence. Under the extradition treaty between the two countries any further offences can only be heard against him if first agreed by the French courts.

The quick implementation of the court's decision is certain to

cause a storm of legal and left-wing protest since the case has been regarded in both circles as a test case of the rights of a lawyer to defend his client.

While judgment was being given in the well-guarded courtroom, a group of about 100 French lawyers, many robed, protested in the corridors of the Palais de Justice and began shouting and whistling after they learn the court had decided it would be possible to extradite Herr Croissant.

Herr Croissant left the court to applause from some lawyers and members of the public crammed into the back of the courtroom.

Bonn request: West Germany today requested Holland to extradite Christoph Wackernagel and Gerd Schneider, sought in connection with terrorist attacks in West Germany, a Dutch Justice Ministry spokesman said. Both men were wounded in a shoot-out with police in Amsterdam last Friday and are being held in The Hague hospital. — Agency France Presse.

EEC butter resold by Russia at a premium

From David Wood
Strasbourg, Nov 16

The Italian Government refuses to cooperate with the European Commission in an investigation of how Community butter sold cheap to Russia in 1973 and 1974 is now being resold at premium prices in Italy.

Mr Finn Olav Gundlach, the Commission for Agriculture, told the European Parliament here today that butter sold cheap to the Soviet Union had been reexported to Italy without paying a levy under the common agricultural policy arrangements. "We have been hampered by lack of cooperation on the part of the Italian authorities," he said.

"We may have to take sharp action to get to the bottom of the affair to strengthen our defences against frauds in agricultural products."

The question had been raised by Lord Bruce of Donington, a British member of the Socialist group. He said that illegal transactions were a direct result of the EEC system of buying at intervention prices in order of for consumption.

Mr Gundlach said that he would lay the results of the Commission's inquiry before the European Parliament's budgetary control committee.

And now in favour of a system where we are producing agricultural products not for a market but for permanent price intervention."

Lord George-Brown, the former Foreign Secretary, tonight completed his first visit to the European Parliament, which must be reckoned his opening broadside in a campaign to stand as a candidate for the European Movement in direct elections.

He admitted some disappointment with the Parliament when he compared it with Westminster. He added that it needed politicians of the first team rather than the second.

He was also distressed to find in his meetings with parliamentary leaders and Commissioners that Westminster's reputation had been damaged by the Labour Government's failure to keep a direct election deadline of May-June, 1978.

As a former Foreign Secretary, he remarked that, according to practice, there was nothing to stop a government from signing a convention or treaty in advance of parliamentary approval. The Concordat treaty was an example in which he had been involved in 1964.

Parliamentary approval was a government's excuse for postponement, and governments and parliaments of the other eight member countries knew that.

Parliamentary report, page 7

Herr Schmidt dominates his party's congress as undisputed leader

From Patricia Clough
Munich, Nov 16

Herr Schmidt, the West German Chancellor, riding high on a wave of national popularity, emerged further strengthened today by the warm and enthusiastic support of the Social Democratic Party congress. He dominated the packed and attentive gathering as he reviewed government policy and national problems.

He spoke with the confidence gained from the personal and political success of his cool handling of the recent terrorist dramas: the kidnapping of Dr Hans-Martin Schleyer, the industrial leader, and the Lufthansa hijacking.

His acceptance left no doubt that his position as Chancellor and the support of the vast majority of his party are undisputed.

"I was elected Chancellor as a Social Democrat," he said to enthusiastic applause. "You must rely on my solidarity and you can rely on my solidarity and I do."

West Germany, he said, was going through a testing period. Terrorism, the country's increasing importance in the world and the economic crises

were among the main challenges of the moment.

He was sure the country would be able to defeat the terrorism, but he added: "We must not allow ourselves to be provoked into false moves. We must not let ourselves be carried away by hysteria and order now resign ourselves to putting up with terrorism."

Twice he gave warnings of the dangers of political parties breaking up into splinter groups. The warnings came in the form of the Bavarian Christian Social Union severing its links with its sister party, the Christian Democrats, and the possibility of Herr Jochen Steffen, a former Social Democratic executive member, forming a separate party to the left of the Social Democrats.

The history of the Weimar Republic in this respect served as a lesson. "Splintering endangers the stability of the whole of our political system," he said.

On the economic front, Herr Schmidt assured the party that full employment remained the supreme aim of the Government, but the drop in foreign demand could be offset only

partly by economic measures at home.

Amid resounding applause, he demanded that Land governments, local authorities and private firms should carry out the investment policies approved by the Government. A total of DM25m (£6,250,000) of private and public investment was held up by red tape and court suits, representing 1 per cent economic growth for the coming year and jobs for 200,000 unemployed.

"The legal and bureaucratic delays are intolerable," he said.

Herr Schmidt urged the congress to approve a compromise agreement to put the priority on fuel-fuelled energy to meet the country's increased needs over the coming decades.

The compromise does not rule out a limited use of controversial nuclear energy. It was drawn up to reconcile the rank and file, generally in favour of a temporary halt to the nuclear energy programme, and the Chancellor, who felt obliged to carry out the policy even if necessary, against the wishes of his party.

The congress is expected to debate the nuclear energy issue tomorrow.

Newspaper executive shot in face

Turin, Nov 16.—The assistant editor of the Turin newspaper *La Stampa* was shot in the face today and was reported to be in a critical condition. Within minutes of the attack the Red Brigades terrorist group claimed credit for the shooting, the servant of the state, Carlo Casalegno.

Signor Casalegno, who is 61, was struck by four bullets, but none did fatal damage. His condition was complicated, however, by heart trouble he had been suffering for some time.



Signor Casalegno: Four bullets.

Signor Casalegno had written a column in today's issue of the newspaper heading "Scandalous morality and bombs". It was a defence of the ruling Christian Democratic Party against the wave of violence and against blanket condemnation.

Witnesses told the police that they saw three people running from the scene in front of Signor Casalegno's home and making their getaways.—AP.

Brussels plans European lending right

From Michael Hornsby
Brussels, Nov 16

A European public lending right for authors is proposed by the European Commission as one of a package of measures designed to increase the financial rewards for writers, painters and sculptors.

The Commission has asked the Nine to hold a council of cultural ministers to discuss the proposal.

A public lending right, whereby authors are paid a royalty for those of their books lent by public libraries, exists at present only in Denmark, West Germany and Holland, in varying forms. Attempts to in-

roduce it in Britain have so far been unsuccessful.

M Robert Gregoire, head of cultural questions in the Commission's Directorate for Education and Science, told *The Times* here today that the payment of royalties to individual authors every time one of their works was borrowed probably posed insuperable administrative difficulties.

Instead, the Commission's idea is that libraries should be asked to pay a "lump sum royalty" to writers' guilds or societies for distribution to their members. The Commission also recommends that writers and artists be allowed to spread

their tax declarations over several years to offset fluctuations in income.

Writers' and artists' earnings have been a bone of contention for some time. The Commission says, by the growing use of photocopyers, tape and videorecorders. One solution might be to pass on a percentage of the sales price of such apparatus to artists.

Droits de suite, or resale rights, which at present exist legally only in Belgium, France, Italy, Luxembourg and Holland, should be generalised throughout the Community. Artists (or their heirs) would receive a percentage every time one of their works was sold.

MPs agree on failure of Giscard TV reforms

From Charles Hargrove
Paris, Nov 16

The break-up of ORTF, the radio and TV organization, into five autonomous branches by President Giscard d'Estaing, three years ago has failed to achieve its purpose, the National Assembly was told today.

M Joël Le Tac, a Gendist deputy who specializes in radio and television, told the Assembly this morning that the great hopes of 1974 had been largely disappointed.

The aim of the reform was to promote competition among the three television channels without weakening the sacrosanct principle of Government monopoly on which all political parties agree.

Now, however, the left is still condemning the "total dependence" of television on the State, while the right argues that competition between channels has proved both ruinous financially and unsatisfactory for viewers.

Competition, M le Tac said, had led to dependence on cheap programmes like news, variety shows and comedies, aimed at capturing the biggest audience, at the expense of fiction and original creations.

"It has led to the impoverishment of programmes, and the increasingly frequent recourse to repeats to stop the gap and American films 'cannot fill' French television showed 46 per cent repeats in 1976."

The reform, M le Tac insisted, had not ended the monopolistic hold of some producers and stars on programmes, which was one of its objectives. Nor had it led to a reduction in overpricing. Although less creative than in the past, French radio and television now employed 400 more people than before.

M le Tac called for the press to demand a redistribution of the radio and television tax at present based on viewing statistics, to be scrapped in favour of a more elastic system.

King of Spain champions EEC application

Brussels, Nov 16.—King Juan Carlos of Spain said today his country could bring centuries of experience and a new drive to the European Community.

In an apparent appeal for support for Spain's application to join the EEC, King Juan Carlos also called for unity within a democratic Europe.

"Only in this spirit of fraternity will we be able to achieve the ideal of well-being and justice to which our peoples legitimately aspire," he told the King of Belgium.

The king is on a three-day state visit to Belgium.—UPI.

Teacher sets himself on fire

Hamburg, Nov 16.—A 47-year-old teacher, apparently protesting against the planned use of nuclear energy, doused himself with petrol and struck a match in front of a church in the centre of Hamburg today. He was in hospital tonight with critical burns.

Few people were in the street at the time. Police said the same man chained himself in Cologne Cathedral some time ago in a similar protest.—UPI.

Five die in Paris fire

Paris, Nov 16.—Five people were killed and three others were injured today when they tried to flee from a burning Left Bank apartment house, police said. One of the injured had leapt from a fourth-floor window.

Next stop, prison

Aalborg, Denmark, Nov 16.—A 55-year-old life officer here was sent to prison for 10 days for driving his lift under the influence of drink. Police said he stopped the lift halfway and invited passengers to step out into mid-air.

OVERSEAS

British diplomat says his task has been completed in Rhodesia

From Our Correspondent Salisbury, Nov. 16

Mr. Jeremy Varcoe, the British diplomat who has been based in Rhodesia since the beginning of September, has been withdrawn by the British Government and is to return to his post as First Secretary in the British High Commission in Lusaka.

Mr. Varcoe said he had completed his main task of explaining the Anglo-American settlement proposals to interested groups and individuals in Rhodesia.

"I have been struck by the widespread desire of people, both black and white, to end the war and to find a fair and just solution to the country's problems," he said.

He had, at the same time, encountered wide mistrust of Britain. He hoped he had been able to a small degree to dispel some of it.

Mr. Fraser Wilson, another British official, will remain in the British residency in Salisbury.

It was going to be easy and that Field Marshal Chavundza would just go into Rhodesia and pick up the keys of government from Ian Smith," he said.

Lord Carver, Britain's resident Commissioner-designate for Rhodesia and General Prem Chand, the United Nations special representative, returned earlier this month from inconclusive talks.

Mr. Young arrived in Sweden today for talks with Government officials on southern Africa and development aid.

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Mr Sadat tries to reassure Syrians

From Edward Mortimer Damascus, Nov. 16

President Sadat arrived here today to begin the difficult task of explaining to President Assad of Syria the reasons for his proposed visit to Israel, the first by an Arab leader.

Egyptian officials have been relieved that Syria has so far refrained from any public adverse comment on the proposal, but observers here are in no doubt that the Syrian leaders are deeply perplexed and uneasy.

Their discomfort is reflected in the fact that the Syrian news media have yet to give even the simplest factual report on the subject, although it is now a week since Mr Sadat first offered to visit Israel during a speech in the Egyptian Parliament.

The nearest thing to a comment came in a leading article last Saturday which questioned whether it was wise to regard the Geneva peace conference as the only hope for the Middle East, and particularly whether "journeys either here or there" could play a useful role.

Mr Assad was said to have been "grim-faced" as he welcomed the Egyptian President at the airport, although the two leaders embraced in the traditional Arab manner. However, their talks at the Syrian President's private residence were said to have been held in a cordial atmosphere and an official dinner was cancelled so that they could carry on their discussions.

Mr Sadat is clearly anxious to get the widest possible Arab backing before going to Jerusalem, or at least to avoid any public disavowal from the other Arab "confrontation" states.

There were reports tonight that he had suggested asking King Hussein of Jordan and Mr

Yassir Arafat, chairman of the Palestine Liberation Organization, to join in the talks tomorrow.

Baghdad: Iraq today led a chorus of protest against President Sadat's proposed visit to Jerusalem.

Not a single Arab leader has come out in public support for Mr Sadat's initiative. There has even been criticism from such an unexpected quarter as Mr Camille Chamoun, the right-wing Lebanese leader.

The leadership of Iraq's ruling Baath Party issued a statement calling on Arabs to

"denounce Sadat's intention and work through all means to prevent its implementation."

The statement said the visit would be a catastrophe for the Arabs and would weaken and disunite their ranks.

In Beirut, Arafat, the biggest Palestinian guerrilla group, described the plan as a "regrettable and dramatic defiance of the Arab will. Students at some schools in the predominantly Muslim western part of the Lebanese capital went on strike in protest over the proposed visit.

In Amman, the Council of Muslim Organizations and

Associations said the visit would rally the Israelis, "a people who only understand the language of force" behind Mr Begin, the Israeli Prime Minister.

Libya, whose attitude on Middle East peace moves is described by the Egyptian plan as a "regrettable and dramatic defiance of the Arab will. Students at some schools in the predominantly Muslim western part of the Lebanese capital went on strike in protest over the proposed visit.

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President Sadat welcomed by President Assad in Damascus yesterday.

ILO cuts expenditure after US withdrawal

From Our Correspondent Geneva, Nov. 16

The fifty-six-member governing body of the International Labour Organization (ILO) today approved cuts in programmes and personnel made necessary by the withdrawal earlier this month of the United States.

The \$169m (£94m) expenditure budgeted for the two years 1978-79 will be reduced by \$36.6m, with the remaining \$9.8m of the missing American contribution (\$42.3m) made up by voluntary contributions and possible recourse to the reserve fund.

A detailed plan specifying the 230 posts to be abolished will be submitted to the meeting of the governing body at the end of February. It is hoped other United Nations

agencies can take some of the individuals affected.

The meeting in general obviously regarded the emergency as one which the ILO can save without severe structural damage. It was pointed out by Mr Cyril Plant, a British workers' delegate, that in announcing its decision to withdraw the United States Government had simultaneously raised its voluntary contribution to the United Nations development programme by \$15m, two thirds of the money it would otherwise have paid to the ILO.

As this programme finances some of the ILO technical assistance work, Mr Plant hoped the organization would ensure that a sizable proportion of the extra money would be used for this work.

Somalis jeer as Russians return home

Mogadishu, Nov. 16—Soviet

advisers left Somalia amid a wave of anti-Russian feeling today after 24 hours before the arrival of a congressional mission from the United States.

About 100 Russian military and civilian staff took off on an Aeroflot flight for Moscow. A Soviet consular official said the remainder, whose exact number is not known, would leave the country by the end of the week.

The exodus follows Sunday's decision by Somalia to abrogate a three-year friendship treaty with the Soviet Union. The Government also broke off diplomatic relations with Cuba and all Cubans living in the country left yesterday.

Shouts of "down with the Russians" greeted any white-skinned people driving round Mogadishu today.—Reuters.

Mr Biko's night ride to death

Continued from page 1

Siebert described Mr Biko as an urban terrorist. Mr Kenridge interjected by saying that Mr Biko was being both tried and convicted posthumously in an attempt to discredit him.

The magistrate, Mr M. J. Prins, intervened to say he was investigating a crime but trying to find out whether anyone was responsible for Mr Biko's death. "Would it have been relevant if Mr Biko had committed certain crimes?" he asked the police counsel. Mr van Rooyen replied: "Not at all."

Two doctors and a specialist had examined Mr Biko in Port Elizabeth but found nothing wrong with him. Colonel Goosen said. A lumbar puncture was also performed on him.

Mr Kenridge asked Colonel Goosen why in his affidavit he had put forward a theory that Mr Biko was injured in the prison hospital in Port Elizabeth where he was taken on September 8 but had not suggested that he might have been hurt in the struggle the previous day.

"It begins to become doubtful in view of the evidence whether that scuffle ever took place," Mr Kenridge said. Earlier he had suggested that Mr Biko had been "smashed up" while in police custody.

Brezhnev medal Moscow, Nov. 16.—President Brezhnev was today awarded the Karl Marx Gold Medal by the Soviet Academy of Sciences. It is the academy's highest award.

Peace plan is 'very much alive', Mr Young says

Stockholm, Nov. 16.—Mr

Andrew Young, United States representative at the United Nations, said here today that the Anglo-American settlement plan for Rhodesia was "very much alive" despite setbacks.

The proposals have met with little support from either Mr Smith's Government or the Patriotic Front.

Mr Young said he had never expected the plan for a peaceful transfer of power to the black majority by the end of next year to be easy to implement.

"Nobody ever suspected that it was going to be easy and that Field Marshal Chavundza would just go into Rhodesia and pick up the keys of government from Ian Smith," he said.

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Kaunda campaign to increase food production

Zambians urged to go back to land

From a Correspondent Lusaka, Nov. 16

It quickly becomes apparent while flying over the Zambian bush that something is missing. The vast, unbroken sea of brown grass, stretches to the horizon. What is missing is the patchwork of cultivated farms and land which forms part of the landscape of neighbouring African countries.

But if President Kaunda of Zambia has his way all this will change. Faced with the prospect of an economic collapse of his country, he has launched a "back to the land" campaign.

Farming in Zambia is largely in the hands of expatriates. Its 300 white farmers produce about 60 per cent of agricultural products. The country is self-sufficient only in eggs, poultry and maize. Only 10 per cent of the land suitable for farming is actually cultivated.

President Kaunda has ordered a "drastic reduction" of staff in government departments and a programme to redirect them to the land coupled with the resettlement of the urban unemployed.

Television commercials and leading articles in newspapers extol the virtues of working the soil and the "dignity of

growing your own food" instead of being a burden on the nation.

Zambia's economic future and political stability will depend to a large extent on the success of the programme.

Since independence in 1964, the Zambian economy has depended almost exclusively on copper. So long as millions of pounds worth of foreign currency were pouring in each year the Government saw no reason to develop alternative sources of revenue.

But the price of copper dropped in 1975. Today, inflation is running at more than 20 per cent and there are shortages of everything from cooking oil to meat, beer, building materials and even the staple maize meal. This has resulted in growing political unrest.

The closure of the border with Rhodesia has further exacerbated the situation. Despite demands by Zambian MPs for the border to be reopened, President Kaunda has decided to keep it closed, saying that Zambia must be prepared to pay the price "to free our neighbours from their oppressors".

Observers are sceptical about the chances of success of the "back to the land" campaign. They point out that President Kaunda has been calling for

similar action since 1972 but without noticeable success.

The campaign has already become bogged down in red tape. The party newspaper, *The Times of Zambia*, recently said that the Government has twisted a simple concept into a complex problem. Bureaucratic delays together with low prices for agricultural products set by the Government, have discouraged many commercial farmers.

There are also the problems of moving large numbers of unskilled people to the land. Mr A. B. Chikwanda, the Minister of Agriculture, said that this was "not something you just do. You have to have a committee to study it first."

But perhaps the biggest obstacle lies in the nature of the Zambian people. "They just do not like farming," explained Mr Benjamin Oglesby, the head of the Commercial Farmers' Bureau.

Mr Chikwanda agreed: "The work is too hard and the pay is not enough. But we are going to remedy that. We will increase mechanization and thus make the work easier and the yield higher."

But it remains uncertain whether urban Zambians, who treasure their white collars, will suddenly want to get dirt under their finger nails.

In brief

British scientist wins award

From Our Own Correspondent New York, Nov. 16

Dr John Vane, group research and development director at the Wellcome Research Laboratories in Beckenham, Kent, is a joint winner of this year's Albert Lasker Basic Medical Research Award.

It was announced here today that he will share the \$15,000 (£3,300) award with two Swedish scientists. They have all been given the award for their work on prostaglandins, which help prevent blood clots.

Fischer ruling Pasadena, Nov. 16.—Judge M. G. Francis has announced that he is prepared to dismiss criminal charges against Mr Bobby Fischer, the former world chess champion, who had been accused of assaulting Mrs Holly Ruiz, a woman magazine writer. Mrs Ruiz has withdrawn her complaint after receiving an undisclosed sum in an out-of-court settlement of her civil claim for damages.

£850,000 sale Mr Fred Mulley, the Defence Secretary, has overcome Foreign Office objections to the export of second-hand armoured vehicles to the Central American republic of El Salvador. The sale, worth £850,000, will now go ahead immediately.

Rabbi arrested Los Angeles, Nov. 16.—Nineteen Jewish Defence League supporters, including Rabbi Meir Kahane, the league leader, were arrested during a noisy demonstration at a Soviet exhibition. They were protesting about the treatment of Jews in Russia.

Minister murdered Teheran, Nov. 16.—Mr Ali Ahmed Khorram, Afghanistan's Minister of Planning, was shot dead as he was leaving his office in Kabul, according to an Iranian television report. The killer, who was not identified, was arrested.

Dissident trial Moscow, Nov. 16.—The mother of Mr Anatoly Shcharansky, the Jewish activist held since March 15, was told today to engage a lawyer for her son, according to dissidents who said this indicated a trial—on a charge of treason—was near.

Villages shelled Beirut, Nov. 16.—Three villages were killed in a fresh outbreak of artillery duels between Israeli-backed right-wing Christian forces and Palestinian guerrillas in south Lebanon.

Agreement on bases Manila, Nov. 16.—The Philippines and the United States have agreed that military bases in the country used by American forces would in future be commanded by Philippine officers.

Police fire on mob Bombay, Nov. 16.—Forty-seven persons were injured today when police opened fire in an effort to disperse dock-side demonstrators.

Dinosaur found Moscow, Nov. 16.—The remains of a dinosaur, thought to be nearly 120 million years old, have been found in the Gobi desert, south of Mongolia.

Firing squad death for airport assassin

Abu Dhabi, Nov. 16.—A 19-

year-old Palestinian was executed by firing squad at dawn today for killing the Deputy Foreign Minister of the United Arab Emirates in an airport shooting last month.

Salah Muhammad Khalid, born in exile in Iraq, was sentenced to death by a Sharia (Muslim religious) court.

The minister, Mr Saif bin Ghobash, was cut down in a hail of bullets fired from an Abu Dhabi airport balcony as he was seeing off Mr Abdul Halim Khaddam, the Syrian Foreign Minister on October 25. The

bullets were believed to have been meant for the Syrian minister.

The mode of execution was chosen because it corresponded to the methods the killer himself used, the officials added. The Sharia court traditionally sentences convicted murderers to be beheaded.

Mr Khalid took nine airport workers hostage and demanded an aircraft to escape in, but he was arrested.

Palestinian sources said here that Mr Khalid's secret trial and execution might have been rushed to forestall an attempt

to force his release from jail. It was now clear he belonged to a Palestinian splinter-group led by Mr Mahmud al-Banna, the former representative in Iraq of the guerrilla organisation Al Fatah.—Reuters.

Ann Fyfe writes from Abu Dhabi: Iraqi travel documents were found on Mr Khalid. Security problems resulting from the mass immigration of foreigners to the emirates in recent years were among the subjects raised in speeches yesterday by the head of state and the Speaker of the National Assembly.

A closer look at two classic styles of sherry.

The qualities that distinguish a great wine from an ordinary wine are colour, bouquet and taste.

The qualities that distinguish a classic fino are a very pale golden colour, a fresh delicate bouquet, and a very crisp dry taste. Luncheon Dry is just such a fino, and is always best served chilled.

The qualities of a classic amontillado are a richer light amber colour, a distinctive aroma, and a medium dry taste which has taken on a particular nuttiness from ageing in cask.

Such are the distinguishing characteristics of Club Amontillado.

LUNCHEON DRY & CLUB AMONTILLADO
from Harveys of Bristol



Tonight on ITV, Jonathan Dimbleby reports from Chile four years after Allende's overthrow. Filmed secretly and smuggled back to Britain, THIS WEEK reveals, for the first time, the truth about life and death under the Pinochet regime. THIS WEEK tonight at 9.30pm on ITV.

Minister's penthouse could be an issue in Australian election

Another Victoria Labour member, Mr Bill Landeryou, told Parliament that a com-

claims of Mr White and Mr Landeryou and they have been denied by Mr Lynch's accountants.

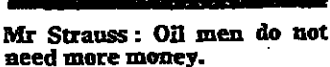
Mr Carter guards Shah from more riots

A White House spokesman has said that the question of human rights abuses in Iran was not raised.

opens way to uranium sales

Mr Robert Strauss active in wide range of policies White House adviser dismisses criticism of the President

opens way to uranium sales



'scab' by US

striker

Delhi queries British ships-as-aid deal

Agreement was reached between the Newspaper Publishers' Association and the New Zealand journalists' union this

They added that he had been arrested with four others, including a woman, on November 8 in San Francisco north of

Injured man crawls for 13 days in creek

Nuclear accord opens way to uranium sales



Prope

Señor Carrillo denounced as 'scab' by US striker

erty



Journalists go back to work in New Zealand

**Land
for Sale**

**DOMESTIC AND
ABU I
GOVERNOR
C.**

Communist leader held in Philippines

D CATERING SITUATIONS

SHABI — U.A.E.

SS/HOUSEKEEPERS

5.000 TAX FREE

Four die in coal mine fire

miners at work in the mine when a main power transformer underground burnt apparently as a result of a short circuit —AP and Reuter.

[illegible]

Mr Foot persuades MPs to put guillotine on Scotland Bill: majority of 26 votes

There had not only been no further evidence consulted but also no pretence that as a result of the Bill's passage on the form of the Bills across Parliament was now faced with almost perfect measure, and that the Government were unable to do it in the last session.

There were still anomalies which they could be overcome with common sense. But they could not do so without a prolonged debate at night sittings. We should have said either get on with it or abandon it.

Mr George Reid (East Strathclyde) and Clackmannan, Scot Nairn and Inverclyde, who were not in the Bill. The Scotland Bill might not be a particularly good one but it was the only one that was and it was the small start in solving the Scottish problem.

Mr Dennis Canavan (West Strathclyde) said that the MPs were thought they could kill devolution by voting against the Bill tonight. They were sadly mistaken. The night would be a long one. The Bill was devolution as an issue. It would come back again and again in the House. It was the common sense of the House and the people to legitimate aspirations of the Scottish people.

Lord James Douglas-Hamilton (Dumfriesshire, West) said that the Bill fell there should be a constitutional conference to consider the options. A sub-national body would be set up. The Government practice had virtually no freedom of choice. It was thus Bill 1988.

Mr. George Younger, an Opposer on the stand and (Mr. Younger said the guillotine was brought forward this guillotine motion. Mr. George Younger said that the Government was exceptional in the past, there would be concessions in committee on Bill.

Mr. John Smith, Minister of State for Privy Council Office (St.

the
Lanzarkshire, Labl said the Hon
must have the capacity to act
as well as argue. They were not just
talking shop to discuss interests
points in Bills. They had to come
them through.

The motion was carried by 10
votes to 287—Government
majority, 18.

claim to be a reviving chamber, then they should have revised the European Economic Community Act and the Industrial Relations Act, 1971. In both cases the House of Lords and its power was never invoked to make sure there was proper revision.

All those leaders of the Conservative Party who engaged in its operation between 1971 and 1974 should be severely criticised.

The Conservatives had better

Everybody would be able to see when the general election came that proposals of the Labour Party would deal with the House of Lords. Those proposals would be opened up and laid down in the manifesto. What

was not available, under present arrangements, was for the House and the country to see the arrangements between the official Tory Front Bench and the Tory majority in the House of Lords.

The Bill was read a second time 314 votes to 287—a governing majority, 27.

House adjourned, 10.50 pm.

undertaking

the only way to solve the problem

of the solution, He had always held the view, and still held it, that the worst for the federal solution would be the disease of the House to take.

There would have to introduce the apparatus of a Bill of Rights and a judiciary, and it would undermine the supremacy of the Commons which in his belief was the most precious possession of the British people.

But this Bill there was no impairment of the supremacy of Parliament and the authority of the House.

All that had been provided for the Bill. That was its supreme merit.

and inquiries

Lord Bethell (C)—Can he tell the price at which the butter question was sold by the Government? Is it the same as the country butter at which it was repurchased by a Communist buyer?

Mr Gundelach—That is exactly the information I cannot give you. I must wait the cooperation of the member state which has taken the butter back at a price considerably below the price normally paid the Community for restitution.

Motions carried

Mr Berkthorpe's motion asked that date be fixed by the Committee of Ministers for direct elections to the Parliament debated yesterday (Tuesday) was carried.

A motion proposed on Tuesday by Mr Charles Fletcher-Cook, Darwen, condemning a nationalist and calling for co-operationist it was carried.

ENTERTAINMENTS

When telephoning use prefix 01 only outside London Metropolitan Area.

OPERA AND BALLET

COLOSSEUM, 01-230 5228
Reservations 01-230 5161
ENGLISH NATIONAL OPERA
Tonight, 7.30 p.m. *Die Walküre*
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CONCERTS

QUEEN ELIZABETH HALL, 01-234 7511
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Main, 10.30 p.m. *Die Walküre*

ART GALLERIES

WYNDAUS, 01-234 7511
Tonight, 7.30 p.m. *Die Walküre*
Tomorrow, 7.30 p.m. *Die Walküre*
Sat. 12.30 & 7.30 p.m. *Die Walküre*
Main, 10.30 p.m. *Die Walküre*
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THE ARTS

Haitink on Lohengrin

Tonight, Bernard Haitink conducts Wagner for the first time in the opera house. The work is *Lohengrin* at Covent Garden, a low-budget production by Elisha Kostin, who is hoping to repeat his success with *Peter Grimes*, and a high-budget cast led by René Kollo and Anna Tomowa-Sintow, who were in Karajan's staging of the same opera in Salzburg the Easter before last.

A fortnight ago London's version was in jeopardy. The Union made Covent Garden put a time limit of three hours on performances. It was just possible to trim *Don Carlos* to fit that span but *Lohengrin* would not have responded to similar treatment. As it is, Bernard Haitink has lost some of his rehearsal periods. He is, though, in a complaining mood. He rarely is.

"Naturally I regret that there have been labour troubles at Covent Garden, but I am a foreigner and it would be quite wrong for me to be involved in any way. My job now is to make up lost time, particularly with the chorus. *Lohengrin* is the chorus opera par excellence and I have to try to transmit the German idea of singing, which is very different from the British one. I also have to insist on total clarity of diction, so that Wagner himself will be in no point in putting on extra rehearsal at this juncture: *Lohengrin* is an exhausting opera and there would be the danger of singers becoming strained and over-tired. We just have to do things a little quicker and use our brains."

Haitink taps his forehead in a gesture which doubtless goes back to the century-century *Wagnerian* of *Lohengrin*. Does Haitink agree with the conventional view that Wagner gives a ponderous beginning to *Lohengrin*? There is a hesitation. "Every conductor should be totally loyal to the work he is preparing. When I first started studying the score I suppose I went along to some extent with that view. But the more I have listened to the music the more I believe that Wagner composed precisely the first act he wanted. He wrote the opera in reverse, you know, starting with the end. I don't now believe that he was a weakling at all, but rather part of a finely tuned and sensitive instrument. It is Wagner's greatest German romantic opera. *Tannhäuser* may be more opulent but it is *Lohengrin* that we really hear the spirit of Wagner in."

Haitink cautions against naming the next Wagner opera he will tackle. He admits that he has been studying *The Ring* and *Tristan*, but adds quickly that this is purely for pleasure. He does, though, reckon that the experience of *Lohengrin* will make him eliminate a "concert-bait" Wagner, the *Siegfried Idyll*, and the *Lohengrin* will be his last appearance at Covent Garden for some time, so opera-



Bernard Haitink

goers who wish to hear Haitink will have to make the journey to Glyndebourne, where he has taken over from John Pritchard as musical director.

In his opening season there next summer he will conduct *Cost of Love* in a new production by Peter Hall and will follow this in 1979 with *Fidelio*, in which Elisabeth Söderström sings Leonore for the first time, and Haydn's *L'infedeltà* premiere.

"At Glyndebourne we are looking for the next direction to take. There has been the Russian period and the current run of Richard Strauss comedies. Haydn is an expert on that. On the other hand, I am convinced that Glyndebourne is a tailor-made house for light, brilliant pieces, but what else should we stage there? *Cornea*, perhaps. The experience of the Edinburgh Festival production has proved just how effective that opera can be in a small theatre. We're going back to *Rosencavalier* in 1980, a special case, perhaps, because Eric Bosch made a reduction of the score with Strauss's personal permission and that is the version we will be using."

"I'd like to tackle the problem of contemporary opera at Glyndebourne, but I don't think it is possible at the moment. One failure with a new work could wreck a season and many composers today present us with an excess of technical demands which they don't make it easy for us to put their operas on stage. Perhaps we should find a way of staging new operas outside the festival. This suggestion dates back to the early Seventies when Harrison Birtwistle's *Orpheus* was scheduled to be the first of a series of new works to be staged year by year in the autumn. The plan was dropped because of lack of money."

"So we talk about Glynde-

bourne's style for the Eighties. Should we repeat ourselves and run the risk of boring our audiences or should we take a new path and accept the danger of chasing them away? During one discussion I suggested that there should be a year without Mozart, and there was complete consensus." The giant in Haitink's eye gave the impression that the proposal was not too serious.

Haitink's main project, outside Glyndebourne and his commitments with the Concertgebouw in Amsterdam, is to conduct all the Shostakovich operas at the Vienna Philharmonic. This will be for Decca, rather than his regular company Philips.

"I like independence and I don't care to be associated with certain composers only. It has taken me years to get rid of the Mahler-Bruce label. I'm like being a chef who is famous for Chicken Kiev and nothing else. On the other hand, I'm not prepared to be involved in squabbles between rival record companies—you do far better to stay at home and read a good book than get engaged in such tussles."

After Shostakovich he'd like to turn to Verdi. The only opera by him he conducted is *Don Carlos* and that was a very long time ago. People tell me that I'm a Northern European and have no business with the Italian repertoire, and I reply that Goethe's eyes were registered on the Medici. I mean, so why should mine not look in the same direction? Perhaps we could have a Verdi plan for Glyndebourne, Macbeth, which of course they have staged already, and *Ballo* as well as *Falstaff*. When I made that suggestion about resting Mozart for a year they asked me what would replace him. Rossini and Haydn, I replied, and it is not such a bad idea."

John Higgins

London Contemporary Dance Theatre
Sadler's Wells
John Percival

Heartened by the warmth of their reception on tours to Paris and to the United States this summer, London Contemporary Dance Theatre are back at the Wells, this time for four weeks.

Their opening programme offered a more varied selection from the repertoire than we have sometimes seen, with revivals of contrasted works, created over the past decade and one from the pioneer days of modern dance.

The main work is a new version of *Ma*, which used to be dominated, when the company first danced it four years ago, by Vladimir Rodzianko's anarchical score. This time it has a new score by Judith Wier, commissioned with a Gubenko grant. Written for string quartet, it seems to aim at a Wehrli-like terseness, but phrases which begin as echoes of familiar melodies splinter away into jagged fragments.

The dancers' involvement in producing the vocal accompaniment is much reduced, but it still begins with the sound of keening and is interrupted by occasional squeals and grunts. Norberta Closs has provided a design: a twisted white plastic sheet at the back that might be anything from a tree to a cave, and costumes which, like much of Robert Cohan's choreography, emphasise the gluteus maximus, what a pity that Graham technique so often converts this to maxims.

New lighting, too, by John B. Read keeps picking out the raised hands of a fundamentally emphatic manner. This repeated gesture, together with the occasional lifting of one dancer and the men's heaving their breasts, brings out the liturgical meaning of the title. Otherwise the heavy croupage might suggest taking it rather in the physicist's sense of the word.

Ma is staged and danced with earnest sincerity, but like Cohan's *Nymphs* earlier in the evening it seems to me to illustrate the sort of thing classical ballet can do and has done much better. The earlier *Ma*, although I personally dislike it, because it had force that has been dissipated. The new version is unlikely to provoke either the horror or the admiration that the old one did.

A new couple, Salkie Esop and Anthony van Laest, danced the *Ma* in the evening. Salkie Esop, a dancer with bright fresh energy, I am tempted to think that this baller's last performance was the 40-year-old solo *Harmonia Breakdown* which Jane Dudley revived last season for Siobhan Davies. In five minutes it offers more real choreographic invention than all the rest put together.

Noemi Laperson, one of the company's founder members, working in France, returned to stage and dance in her *Contabile*, first seen in 1970. Its mildly humorous, sometimes bittersweet, backwash, the dashed hopes of childhood has no great illumination to offer but is modestly entertaining.

Much the sharpest, brightest, shortest, most imaginative and original work on the programme was the 40-year-old solo

Fashion

by Prudence Glynn



Angelo Tarlazzi



Zozo



France Andrevie

Browns of South Molton St
already stocks 70 per cent of France Andrevie, and is about to take Tarlazzi this coming spring
Photographs by Harry Kerr

Simpson



Thinking man's blouson

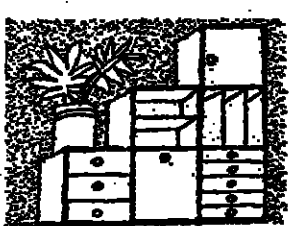
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Are you ready-to-wear it?

If Yves Saint Laurent is remembered for nothing else (and he will be) he will be remembered as the designer who broke the hold of traditional French Haute Couture. In 1972 the perspicacious Yves enjoyed his efforts onto the Rue Cambes, ready-to-wear side of his activities and stated in effect that it was street fashion, to which the mass market producer is of course much closer, which dictated trends. He was not a moment too soon, for breathing down the necks of the Establishment was the dazzling Kenzo Takada who for the next five years was to be among the most influential fashion makers in the world. (The life span used to be 10 years, but what with Concorde and inflation things have a bit speeded up.)

Saint Laurent was also uniquely qualified to perform the task. Trained in the highest traditions—and they do not come any higher—of Paris couture, robed as a lad in the mantle of the great Christian Dior, the weight of which proved too much, he is also the most responsive to the echoes of latent taste and consumer desire. Saint Laurent made blue denim OK for designers. He also made the ready-to-wear more chic than standing around having a dress made, as a gardening French aunt once pointed out to me, for the same case as a small greenhouse.

The problem for most women is that there are so many of these, in life and in fashion, and which one should you follow? The answer is, the designer who happens to be walking your way. That brings us to the question, which way are you walking? Gone are those long straight boulevards labelled "skirt two inches above/below the knee, navy blue coat for spring, hats must match gloves". Instead it is Time Out time, buy your own compass, steer by the stars, and Heaven help all who look like nothing on earth at the end of the journey.

Nothing could highlight this point more than the recent pret a porter shows in Paris. On the one hand, the predictable, wheedling out the wooden horse to justify inefficient seating arrangements, opening it to reveal not armed warriors of design but a few tasty reprises. On the other some really new names. I can suggest four. The first is the boutique Zozo in the Rue Pierre Lescot, which for cheap (all things are comparative) sexy clothes, tube-trimmed petticoats etc.—is unbearable. Nearby is France Andrevie, 2 Place des Victoires, a young woman whose elegance and distinguished handwriting have made her a great favourite with

American buyers. Vera Finberg, 20 Rue du Vieux-Colombier makes the most beautiful knitwear, soft colours, gentle touches, pretty, flattering stuff to pack and wear and wear, and pack.

But the most interesting discovery for me was Angelo Tarlazzi. Now, here is a man who has been around. Seventeen years in the business, in his native Rome (with Caros) then New York with the legendary Jerry Silverman, then with Jean Patou, then suddenly on his own.

I thought his collection was simply beautiful. He is one of those very rare designers who knows when to leave fabric alone—Givenchy has always said that the material tells you what you may do with it, but Tarlazzi, in the same way as our own Yuki, just lets it do what it most ought to. Under the apparent negligence there is the eagle eye of the erstwhile haute couturier, however.

Those soft, cotton miracles of fold and drape are in fact made not of the any old cheesecloth you may care to strain your tea through but of the finest, softest, long staple Egyptian cotton.

They do not crease, they float and flow, and they were commanded by the properly intransigent M. Tarlazzi from an Italian mill which was famous for prints. "For me," he assured them, "you will make just the best cloth, in five colourways" and they did, and it is truly lovely. Tarlazzi has got not only an amazing eye for fabric but the nous to know that the more simple (simpler, not simpler) the better the cloth must be to support it. There are a few prints, with which he declares himself unsatisfied, though I thought they were neat.

But what I really liked was this control—not contrivance, of his medium. All of a sudden, Angelo Tarlazzi, without fear or favour, has discovered himself. Customers benefit from his training. The trousers are tactfully shirred at the waist, for comfort and fit, the colours are ravishing, the knitwear ought to push Scotland further towards devotion if they could live him. Then he wants a woman to buy just one piece from him to start with, and wear it with something else, which cannot but appeal to the inflation hit poor Brits.

Only two pangs. "Where did you get these wonderful colours?" said I. "Oh well, from my water colour paint box. Mind you, the producer wasn't very pleased, he said what's this. But he did them." "How long?" I quavered. "Oh, 24 hours suppose." And that beautiful fabric. "They said we make prints, but OK. For you we'll make it plain." In Italy.



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SPORT

Gifford and Forster should extend their winning runs

Two young in-form can strike at Kempton Park and Stratford-on-Avon this afternoon. Josh Gifford, who has won the last three races, is the favourite to win the first race at Kempton. He is a player of the highest quality and has been in excellent form since he won the first race at Kempton on November 10. He is a player of the highest quality and has been in excellent form since he won the first race at Kempton on November 10.

Three times in useful company. First-time out this season the eight-year-old finished full of running when chasing home Stone Throver at Windsor. With the benefit he is sure to have derived from that race, Hamsell should give the weight away today. Another eight-year-old who may take high rank is Master H, who can defy top weight in the Gamecock Handicap Steeplechase, last February Master H and his jockey John Weston's finest hour came when they beat Broncho II and Sals at Sandown. Michael Oliver's gelding was attempting the impossible at Chesham when trying to give Free Tangle 12 lb. Master H is being trained for the more stonemason handicaps here on and should have little difficulty in accounting for his two moderate rivals today.

In the London offices yesterday when scoring a bloodless victory at Kempton yesterday. The race was spoiled as a spectacle when the gelding was sent to the third fence from home. But we had already seen enough to confirm the Dealer's status.

Bona-Mia is put down

The colt, owned by a construction engineer, John Devaney, and three other partners, was one of Priam Lodge's best juveniles of last year, winning three races. This year he was only narrowly beaten in a second race at the English and Irish 2,000 Guineas.

Kempton Park programme

10 VAUXHALL HURDLE (Div I: 4-y-o novices: £510: 21m 50yds)

130 GAMECOCK STEEPLECHASE (Handicap: £763: 3m)

Stratford programme

1245 SOUTHERN CROSS HURDLE (Div I: Part I: 3-y-o novices: £385: 2m)

Stratford selections

By Our Racing Staff

1245 MOON PELLE. 1.15 Officially. 1.45 Chilton Fair. 2.15 Subaltern.

Sedgefield

12.45 (12.48) CORNFORTH HURDLE

1.15 (1.18) STILLINGFORD HURDLE

1.45 (1.48) CORNFORTH HURDLE

2.15 (2.18) STILLINGFORD HURDLE

2.45 (2.48) CORNFORTH HURDLE

3.15 (3.18) STILLINGFORD HURDLE

3.45 (3.48) CORNFORTH HURDLE

4.15 (4.18) STILLINGFORD HURDLE

4.45 (4.48) CORNFORTH HURDLE

5.15 (5.18) STILLINGFORD HURDLE

5.45 (5.48) CORNFORTH HURDLE

6.15 (6.18) STILLINGFORD HURDLE

6.45 (6.48) CORNFORTH HURDLE

7.15 (7.18) STILLINGFORD HURDLE

7.45 (7.48) CORNFORTH HURDLE

8.15 (8.18) STILLINGFORD HURDLE

8.45 (8.48) CORNFORTH HURDLE

9.15 (9.18) STILLINGFORD HURDLE

9.45 (9.48) CORNFORTH HURDLE

10.15 (10.18) STILLINGFORD HURDLE

10.45 (10.48) CORNFORTH HURDLE

11.15 (11.18) STILLINGFORD HURDLE

11.45 (11.48) CORNFORTH HURDLE



All over in the Flyover: The Dealer wins Kempton's Novices' Steeplechase by a mile.

Sky is the limit for The Dealer

By Michael Seely

The Dealer looked every inch a Chesham Gold Cup winner when scoring a bloodless victory at Kempton yesterday. The race was spoiled as a spectacle when the gelding was sent to the third fence from home. But we had already seen enough to confirm the Dealer's status.

Kempton Park result

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20 COTTAGE LAKE STEEPLECHASE (Handicap: £834: 21m 50yds)

230 HOUNSLOW HURDLE (Handicap: £638: 3m)

445 LEXLEY STEEPLECHASE (Handicap: £658: 2m)

455 WILMOT HURDLE (Handicap: £576: 21m)

465 WILMOT HURDLE (Handicap: £576: 21m)

475 WILMOT HURDLE (Handicap: £576: 21m)

485 WILMOT HURDLE (Handicap: £576: 21m)

495 WILMOT HURDLE (Handicap: £576: 21m)

505 WILMOT HURDLE (Handicap: £576: 21m)

515 WILMOT HURDLE (Handicap: £576: 21m)

525 WILMOT HURDLE (Handicap: £576: 21m)

535 WILMOT HURDLE (Handicap: £576: 21m)

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805 WILMOT HURDLE (Handicap: £576: 21m)

815 WILMOT HURDLE (Handicap: £576: 21m)

825 WILMOT HURDLE (Handicap: £576: 21m)

835 WILMOT HURDLE (Handicap: £576: 21m)

845 WILMOT HURDLE (Handicap: £576: 21m)

855 WILMOT HURDLE (Handicap: £576: 21m)

865 WILMOT HURDLE (Handicap: £576: 21m)

875 WILMOT HURDLE (Handicap: £576: 21m)

885 WILMOT HURDLE (Handicap: £576: 21m)

895 WILMOT HURDLE (Handicap: £576: 21m)

905 WILMOT HURDLE (Handicap: £576: 21m)

915 WILMOT HURDLE (Handicap: £576: 21m)

925 WILMOT HURDLE (Handicap: £576: 21m)

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955 WILMOT HURDLE (Handicap: £576: 21m)

965 WILMOT HURDLE (Handicap: £576: 21m)

975 WILMOT HURDLE (Handicap: £576: 21m)

By the 20-year-old Michael Leach, who served time with Warden's former employer, Tom Jones. Stephen Smith-Eccles had the mount on Jimmy Miff, whose task was to lead the gelding to the third fence from home. But we had already seen enough to confirm the Dealer's status.

Kempton Park result

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Golf

Nicklaus in line for sixth Open victory

Sydney, Nov 16—Australian golfers are naturally keen to win the Australian Open golf championship which begins at the Kingston course here tomorrow. But the obvious favourite is 43-year-old Nicklaus, who has won the title in 1966 and 1970.

The biggest difficulties expected are gusty winds which frequently blow from the west. The course has been redesigned to specifications laid down by Jack Nicklaus and about 100,000 of the five elevated tees are particularly tricky. —Agency France-Press.

By the 20-year-old Michael Leach, who served time with Warden's former employer, Tom Jones. Stephen Smith-Eccles had the mount on Jimmy Miff, whose task was to lead the gelding to the third fence from home. But we had already seen enough to confirm the Dealer's status.

Miss Rankin keeps her place at top of list

New York, Nov 16—Judy Rankin led the money-winners on the 1977 Ladies Professional Golf Association tour.

Deborah Massey led the tour in her first year with 46,962 dollars.

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Deborah Massey led the tour in her first year with 46,96

The Norwich way is to speak the business language of Europe.

In France, perfume is a great industry and mimosa an important ingredient in its manufacture.

So it is on the hills above Grasse, where mimosa grows wild, that Monsieur

Philippe Bonne of Norwich Union Insurance discusses with Monsieur Cetto, top parfumeur,

aspects of the business of their mutual client, Lancôme.

Why does a famous French perfume house like Lancôme turn to Norwich Union for important insurances?

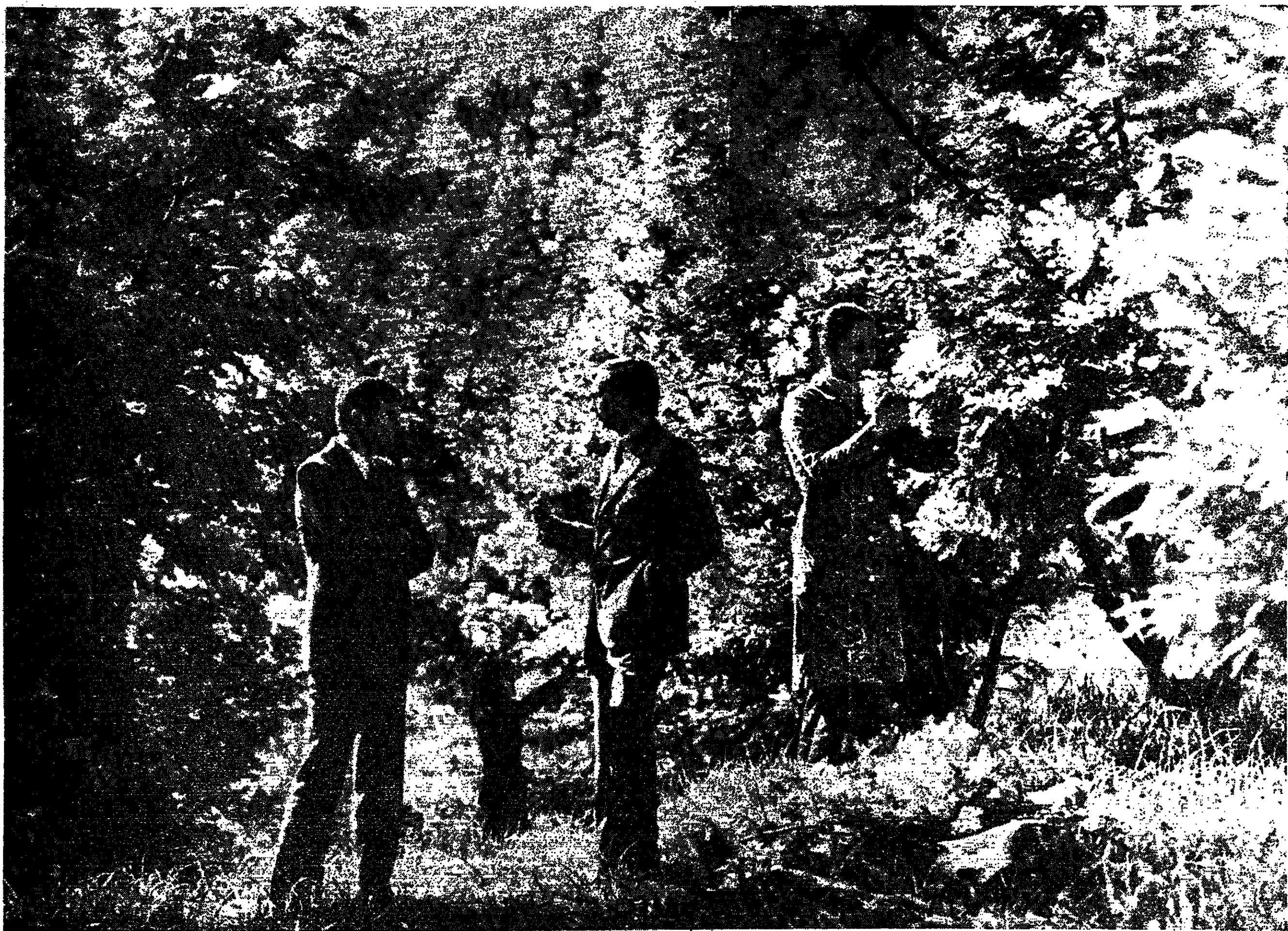
Like most successful

companies Lancôme know the value of expert advice. They appreciate that Norwich Union are specialists with an informed and sympathetic understanding of their clients' business and its insurance needs.

Although many major international companies enjoy Norwich Union's personal approach to insurance, it isn't reserved for big names only.

Take your problems to

Norwich and you'll find they speak your language too.



Ronald Butt

The cloud threatening to tarnish Mr Callaghan's silver lining

"The real victory will come", said Mr Callaghan at the Lord Mayor's banquet on Monday, "when we achieve and maintain a steady and continuous growth in our economy, a much lower level of unemployment and steadier prices."

And he might have added that the most important of these achievements, and the key to all the others, is growth—not the feeble, booming expansion with which the electorate has been tricked in past "recoveries" from economic restraint, but the genuine increase in the use of resources for profitable and salable production, which an industrial country must have to pay its way in an increasingly difficult world market.

Some of the necessary preconditions for this kind of growth obviously do now exist, and the Government can take some credit for them. We are now running a substantial current trade surplus; our reserves have risen beyond most expectations; government borrowing has been restrained; the annual rate of inflation has nearly halved compared with 1975-76 and should stay single figures next year if there is not a pay explosion.

As a result of all this, Mr Healey has been able to make a start on creating the conditions which give a chance of economic revival.

Interest rates have been brought down and are at least no longer a disincentive to investment; industry seems to have a greater intention to invest and the Treasury expects this to continue; the Chancellor has been enabled to make a start on reducing taxation (to be continued next April) which should be an incentive to demand.

The object of the cautious policy of easing up on restraint is to bring into use the very great deal of at present unused capacity of men and plant.

But a major question remains. Will easier financial conditions really stimulate production, and particularly production for export? Or do we find ourselves again at the beginning of the kind of consumer demand which once more throws the economy out of balance and can only be satisfied by imports on a scale we cannot afford?

This is the danger. Industrial production remains pretty flat and there is a clear risk that the demand which should result from more purchasing power will lead rather to a stronger growth of imports than to a sustained improvement in



Mr Callaghan and Mr Tapsell: a wary reply on exchange controls.

industrial exports, even if North Sea oil does make good the balance for the time being.

Will our own industry (motor cars are the obvious example) really manage to meet enough of the higher demand to stop this happening?

In the last quarter, our export performance has much improved, though in the last month this improvement has not been so marked. But there is no doubt that we shall increasingly be exporting in a difficult world market, in which other countries will also be suffering from low investment and poor trading conditions.

If, in a buyer's market, we cannot compete on prices, and even more on quality and delivery; if demand simply goes into imports, then we shall once again get, not the kind of growth we need, but a consumer-led inflation.

The Government's strategy for avoiding this is the caution with which it is easing up. That is why it is moving in slow, hesitant stages with its tax concessions; why it is still cautious about the money supply; and

why Mr Healey still resists the pressures to follow the floating of the pound upwards by relaxing exchange controls so as to allow British investment overseas.

The other day Mr Peter Tapsell, one of the newly appointed Conservative Treasury shadow, put to the Chancellor the danger that, if exchange controls are not relaxed, the pound will not be appreciated so much that our industry will either become less competitive abroad, or that we build up too high reserves.

Mr Healey's reply was instructive of the wariness with which the Government views the present silver linings. He is disinclined to accept Mr Tapsell's advice partly because we still have large debts in relation to our reserves, and because he does not think much of trading off short-term capital inflows for long-term capital outflows.

But Mr Healey's real reason was conveyed in these words: "It would be unwise to dismantle the apparatus on exchange control before we were more certain that the present situation was likely to be endur-

ing. I hope it will be—but we cannot be sure."

What the Government fears is that it might be unable to use the reserves to maintain the pound in another crisis if capital had been expended for investment. In any case, it is inclined to prefer, since investment is sluggish worldwide, that investment capital should be deployed at home, rather than abroad.

It is not easy to dissent from the Treasury view on this matter, in the light of its clear apprehensions about the precariousness of the present economic improvement. There will certainly be no rapid export growth and there is the danger that the modest stimulus that the Government is applying might cause the economy to overheat without bringing the unemployed resources of men and machines into use to create the right kind of growth.

This is, first and foremost, a problem for industry itself, on all sides of it. The proper use of resources; the problems of investment, profitability and productivity, will not be settled

by direct intervention by the Government. But for industry to do what it ought to do, confidence is needed and that means confidence for the longer as well as the shorter term.

Where is confidence to come from? It is to this that Mr Callaghan and Mr Healey ought now to address themselves.

Industry may be fairly happy about the Government's policies, but on what basis can it be optimistic about the performance of another Labour Government if it should win the election which cannot now be more than a year to 18 months away?

In ministerial speeches, it has become axiomatic that our resources, public or private, should be used more productively and in particular that resources have to be shifted from the non-productive apparatus of state bureaucracy. On the other hand, we also have a manpower problem which suggests that a truly modernized industry will not be able to use all the manpower available and this raises the question of the role of the service industries in a more productive society.

Yet the whole direction of Labour policy for the future points the other way—towards further state expansion, more intervention, more costly bureaucracy. The economy is not going to be put on a right course by economic techniques alone. The growth that Mr Callaghan wants depends on politics, too.

The paradox of the situation now is that the more successfully the Government appears to win public support by the sensible economic policies dictated by its minority position, and so gives itself a better chance of another term of office, the more industrial and individual confidence will be undermined by suggestions about what a majority Labour Government would do with another term.

What kind of Government would Labour be next time? Unless this uncertainty is cleared up, I doubt whether the election will be conducive to the confidence, hard work, investment, export performance and the growth Mr Callaghan wants to achieve the temporary amelioration of our living standards next year.

That is the Government's real problem—and the problem of the nation. Mr Callaghan ought now to start to talk about it.

The Conservatives: becoming more radical while trying to get back in touch

The appointment of the leader of the recent air traffic control assistants' strike as a trade union organizer for the Conservative Party is the latest manifestation of a trend which must be sending a shudder up the spines of all traditional Tories.

Not content with actively involving itself in trade unionism, the party is openly encouraging students to participate in the NUS and take part in political campaigns in their colleges.

Conservative Central Office is running a series of seminars on social problems. At one such gathering on the subject of students last month not a single voice was to be heard calling for a return of the bachelors. Instead, the audience listened meekly and attentively as community workers spoke on the need to reduce inequalities of wealth and such "statements of affluence" as multi-storey car parks.

Behind all these activities is the Conservative Party's Community Affairs department which since it was set up two years ago, has been engaged in a process of "rebranding" the Tories. The reason for setting up the department was the fear, reinforced by the party's defeat in the two elections of 1974, that it was out of touch with several important sections of the population, particularly trade unionists, immigrants, students and small businessmen.

The success of the Liberals and their own brand of community politics was another important factor in persuading the Conservatives to change their image and approach. Mr Mervyn Kohler, one of the members of the department, says: "There was a feeling that the centres of political influence had moved away from the main political parties to pressure groups and community bodies. Perhaps the most disturbing thing about the October, 1974, election was that the largest proportion of the first time voters were those who did not vote at all."

The director, Mr Andrew Rowe who was brought in to run the Community Affairs department from being a lecturer in social administration and consultant to the voluntary services unit of the Home Office, says: "The Conservatives were good at keeping in touch with people through where they lived. But now it is necessary to keep in touch with them through what they were interested in."

Mr Kohler, who set up the community groups unit in March last year having previously joined the Tories from the housing organization Shelter, says: "The Tory party has traditionally had no identification with the immigrant

communities in Britain nor them with us. My job is to demonstrate to both sides that there is much in common and little to fear." The Conservatives badly need to win Asian and West Indian votes. In the last general election the immigrant vote went four to one in favour of Labour. If it had divided more evenly, the Tories reckon they would have held on to 13 marginal seats.

Last year saw the foundation of an Anglo-Asian Conservative Society and an Anglo-West Indian Society and the adoption of the first coloured parliamentary candidate by the Tories in the postwar period. He is Mr Narindar Saroop, already a councillor in Kensington, who will stand for Rochford in the next election.

The Conservative Trade Unionists (CTU) were set up in 1975 to encourage trade unionists to join the Conservative Party and to involve Conservatives in the trade union movement. There are now seven professional organizers and 250 groups. CTU's conference this year had 1,300 delegates, nearly all of whom were students and union activists. The Conservatives feel that they are beginning to make their voice felt in the union movement.

Mr John Bowis, national organizer of CTU, almost had a sense of pride in the voice when he told me that Conservatives were largely behind the recent air traffic control assistants' strike. The chairman of the strike committee, Mr Martin Gillman, is the deputy national organizer of CTU.

CTU runs courses for trade union branch officers and encourages them to stand for election to national executives. It claims much of the credit for forcing the Association of Scientific, Technical and Managerial Staffs to change its line on the Bullock Report and getting it to reject proposals to nationalize the banks and insurance companies.

The Federation of Conservative Students (FCS) has been in existence since the 1920s. It is only in the past three years, however, that it has deliberately involved itself in student politics and taken part in the NUS. The results of its decision to become more active have been spectacular. Membership has grown from 5,500 in 1973 to more than 16,000. There are now 250 subnational offices in student unions which are members of FCS, including this year's president of the Student Union at the once notoriously left-wing Warwick University.

Perhaps most surprising of all, there are now 100 Conservatives on the NUS executive, otherwise solidly dominated by the broad Left. Like the CTU, the FCS is keen to demonstrate that it is

not just a paper tiger. It aroused some concern with the Tory hierarchy earlier this year when it came out in favour of legalizing cannabis and it encourages its members to involve themselves in direct action, if necessary, in pursuit of their local demands over accommodation and conditions.

It is about to launch a national campaign against racism and claims to have been instrumental in persuading the NUS executive to condemn student unions which ban Jewish societies.

The fourth component of the community affairs department, the Small Business Bureau was set up early last year. Its director, Mr Geoff Lacey, says: "The party felt that while it was very responsive to the views of big business, it had alienated small business." The bureau now has 2,000 individual subscribers and 150 corporate members, like the National Federation of the Self-Employed. It runs a quarterly newspaper to promote its highly modest message that small is beautiful.

The wooing of immigrants, trade unionists, students and small businessmen by the Conservatives looks, at one level, simply like a shrewd piece of political opportunism. It is more to it than this. "The Conservative Party is in a ferocious pursuit of ways of preventing the corporate state and is genuinely looking for ways of creating a pluralist society. We see particular communities and voluntary groups as the strongest pillars of such a society," he said.

He would like to see the whole field of voluntary effort in health, education and the social services opened up and supported by the Tories as a corrective to an increasingly paternalist state. Certainly this stress on self-help ties in with the ideological position of the present Conservative leadership.

This new movement within the Conservative Party suggests a humility and an openness to new ideas born of a realization that it is no longer the natural party of government. If what is happening in the Community Affairs department is not just window dressing and is allowed to influence the party as a whole, consequences could be considerable.

If the Conservatives really are intent on listening to and taking note of the views of immigrants, trade unionists, students and voluntary organizations of all kinds, then, as Mr Andrew Rowe says, "We are faced with the possibility of the Tories becoming the radical and progressive party."

Ian Bradley

For Romania's Jews, the scars are healing

A recent seven-day tour of Romania proved a unique experience as deeply moving as it was revealing—a journey into the richness of the Jewish past, the immensity of Jewish suffering, and the resilience of the Jewish spirit.

By car, plane and three overnight train journeys, we visited (my wife accompanied me) eight Jewish communities in Bucharest, Moldavia and Transylvania. The reception accorded to us everywhere was overwhelming in its warmth and enthusiasm, as I addressed packed congregations in magnificent synagogues varying in age between 90 and 500 years.

Romania is now the world's only country where still live vestiges of old-style East European Jewish life reminiscent of scenes drawn straight from Fiddler on the Roof. Alone among communist states, it maintains diplomatic relations with Israel, and it has pursued a rather liberal line on Jewish community organization and emigration.

Of Romania's 800,000 Jews before the Second World War, 57 per cent survived the Nazi death camps and pogroms. About 85 per cent of these left

after the war, mainly for Israel where every twelfth Jew is a Romanian. The community is now reduced to about 45,000.

The terrible scars left by the Nazi holocaust are deep, indelible and ubiquitous. In Transylvania the entire Jewish population was deported on Eichmann's death-trains, and every Jew over 40 of the pitiful remnant bears the haunting physical and emotional marks of Auschwitz and other extermination camps. In Oradea on the Hungarian border, for instance, a monument commemorates the 25,000 Jews (out of some 30,000) who never returned.

The rest of Romania—which was not occupied by, but allied with, the Germans—also witnessed frightful massacres by local Fascists. Near Jassy on the Moldavian border with Russia, we stood at the mass grave of 12,000 Jews slain in three days in 1941. This town previously had 55,000 Jews out of a total of 90,000 inhabitants about 1,000 now remain.

Under this control, 86 communities now function. Though subdued by our standards, they display a modicum of remarkably well-organized communal, religious and even educational activities in a country officially committed to strident atheism.

Particularly impressive are the welfare services providing food, clothing, financial help and medical aid for 10,000 members of the community. The condition of Romania's Jewry is thus incomparably superior to what I found on my visit to the Soviet Union in December 1975. Russia's 3,000,000 Jews have no community organization, no social institutions, no Hebrew classes, no youth orchestra, no communal newspaper, such as is published fortnightly in Bucharest.

In Romania we met some 6,000 Jews, including a few hundred children and adolescents. In three leading Russian cities I visited, with a combined Jewish population of at least 800,000, I saw less than 1,000 Jews and only a single Jewish child. In Romania Jewish martyrdom is recalled in numerous imposing memorials bearing Hebrew and Romanian inscriptions. In Russia, a mainly Jewish blood-bath as immense as occurred at Babi Yar had the evidence all together expressed for 30 years, and its recently erected monument carries any reference to Jews—even memorial meetings are banned at the site.

Even more significant is the difference of attitude to emigration. While applications are occasionally refused, the bulk of Romanian Jewry has been allowed to leave and there is no Jewish emigration. In contrast, there is no movement of Jewish activists in Romania. The contrasts in the treatment of the Jewish minority in the two countries are stark and revealing. Some religious freedom and the right to emigrate are evidently not incompatible with a rapidly communist system of government and society. To extend such tolerance to Jewish Jews and other minorities would not only fulfil the yearnings of many thousands to identify with their traditions or to be reunited with their families; it would merely state them the human rights promised by the Helsinki Accord now being reviewed at Belgrade.

It would remove without cost a major irritant to détente and international understanding, yielding benefits far exceeding the interests of the Dr Immanuel Jakobovits Chief Rabbi.

Dr Immanuel Jakobovits
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An ordinary house in an ordinary street



yet it could rescue 7 elderly people from loneliness

Abbeyfield buys and converts ordinary houses into about 7 bed-sitting-rooms each. Here, lonely elderly people enjoy both the privacy of their own rooms with their own furniture around them—and the company of others at two meals a day, served in the dining room by the housekeeper. Abbeyfield helps people of all backgrounds. Abbeyfield is, perhaps, one of the more imaginative solutions to the problem of loneliness in old age. Each Abbeyfield house is established and looked after by its

own group of local voluntary workers. Thus charges are kept to a minimum. Each group is formed as an independent charity. There are more than 600 Abbeyfield houses all over the kingdom. But many more are wanted.

Will you help? Abbeyfield needs money, yes—but equally it needs people to help their local Abbeyfield Society where one exists, or to start one where it doesn't.

As a first step, will you write to us for a copy of our explanatory booklet?

ABBAYFIELD SOCIETY
President: Lord Pritchard
35A High Street, Potters Bar, Hertfordshire, Potters Bar 43371.

Wider horizons for those lunchtime literati

Habitues of London literary lunches could be given a new experience of a feeling of déjà vu yesterday. Lord Clark was making his second appearance as speaker in as many weeks, and in both cases, it was to talk about the second volume of his autobiography, *The Other Half*. Yesterday, it was the Foyles gathering. A fortnight ago, it was Liberty's. The store ventured into Foyles territory for the first time and very naughtily got Lord Clark first.

Next week, Hachards in Piccadilly begin their literary bearbears, but Lord Clark will not be their guest speaker. Instead, there will be Margaret Drabble and Antonia Fraser; Edna O'Brien will read some poems and three other literary ladies will provide moral support. Lord Clark should feel flattered that it will take six ladies to displace him.

He talked briefly yesterday about the "dreadful new affliction" of authors having to sign their books and complained that he still had 500 copies of his new book to autograph. Sir Harold Wilson, I am told, seemed to be bearing the affliction bravely as he scrawled his name across copies of a *Prime Minister on Prime Ministers* at Selfridges earlier in the day.

Throwing a new light on crime

Those of you who have gazed at photographs of bullets leaving the barrels of guns (no, this is not about school legislation) will be thrilled to learn that a company called Holoco can now make a tape as a bullet so that it is possible to measure every aspect of the projectile and tell if (for example) it has been fired from a suspected murder weapon.

Which is just one of the practical uses for holograms (three dimensional light structures, if you are still wondering). Holoco, who are very special in holograms and special lighting effects, are the first organization to be offered, by the Royal Academy, the opportunity of exhibiting twice in one year.

The new show "Light Fantasy 2", opens on January 12 and will be full of new and spectacular effects. Since their last show, the company have pioneered the ability to freeze movement in a hologram.

Before they showed a tape as a hologram; at the new exhibition the same tape will be shown with water pouring from it.

Holoco operate from the unlikely surroundings of the Old House at Shepperton Studios (the country house indoor film set used in so many movies in the fifties). When I went down to have a look, I found one of Robin Hood's men trying to extricate his longbow from a Lamborghini. Or maybe it was just a hologram?

It makes good sense that for television sets can emit vibrations inaudible to the human ear but disturbing to pets. The reaction to the "loud unusual noise", Mr Fanshawe said, depended on the pet's psychological state, but he promised that in the near future new types of ultrasonic remote control systems are to be introduced which will be truly inaudible not only to man but to his pets as well.

THE TIMES DIARY/PHS

Good news on your pet subject

A learned symposium of acoustic engineers and research scientists at Wembley conference centre yesterday heard why British cars and dogs have been going demoted recently. D. G. J. Fanshawe, a researcher with Milsford Ltd, reported work carried out with the Medical Research Council which has established that ultrasonic remote controllers

A funny way to learn things

I dislike much of what is happening in the commercial cinema today and, to keep alive my faith in film, I have been increasingly to what used to be called—very offensively—the documentary. There have been big changes here, too. Most noticeably, the genre has acquired a sense of humour; we can laugh as we digest the facts.

Two excellent examples of this have come my way this week, short films made by Video Arts, who specialize in making training films. The first, *How to Lie*, which runs for 25 minutes, shows the wrong way for management to conduct appraisal interviews. The second, the 12-minute cartoon *How to Lie with Statistics* shows the idiotic things that can happen when you try to identify the average man.

It makes good sense that John Cleese, the funny man from Fawlty Towers who is also on the board of directors of

Head-scratching over my "Where is Market Blandings?"

competition did not end with the last of my columns. I published on Tuesday, Colonel Michael Cobb, of Plymouth, Devon, the railway expert, must have wondered what on earth was going on when he appeared as Colonel Cobb. I apologise for depriving him of his good name and hereby restore it.

Video Arts, should our his comic gifts to good instructional use in his comical films. His three roles in *How to Lie* show him as his versatile best.

The statistics film is the work of Tony Bart, whose ingenious draughtsmanship on television is seriously underrated. The link between Video Arts and television is reinforced by the presence in the company chairman's seat of Audrey Jay, who guided the destinies of *Tonight and Tomorrow* in the day when to miss an edition of either, was to risk social ostracism. Both films I mentioned can be seen today at the New London Theatre.

The Anti-Nazi League, formed to fight the National Front, has got off to an embarrassing (for them) start. In its first press notice, it described itself as "a new ad-hoc group formed by schoolboys." Given the general mood of apathy that greeted the group's arrival, it is not surprising that the last two words in that statement did not bring the marchers out on the streets. They were, in any case, swiftly corrected by a second notice from the group, admitting that a serious error had been made. Paragraph three should read: "a new ad-hoc group formed by anti-racists."



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LEYLAND RESTRUCTURED AGAIN

Yesterday marked the end of another chapter in the British Leyland saga. It is the formal end of the so-called Ryder plan for the company, published in March, 1975. So long as Lord Ryder remained chairman of the National Enterprise Board and his chosen man, Mr Alex Park, remained chief executive of British Leyland it was difficult, if not impossible, for there to be any significant departure from that original rather rigid blueprint.

The central criticism of the Ryder concept was that, by insisting on extreme centralization, the potentially profitable parts of the enterprise, like special cars, were being dragged down by the dead weight of the mass car division. In particular, since the new "Mini" replacement programme for the mass car division was of such high importance to Leyland from the point of view of employment, there was the standing danger that potentially profitable activities would be deprived of their fair share of necessary development capital.

Coupled with this was the criticism that the Ryder plan committed the taxpayer to heavy future investment in British Leyland, without a prior guarantee that there would be any improvement in the productivity of the group as a whole. Indeed, the words "we may have subsequently been spoken

in an attempt to give the contrary impression, the Government takeover of the company and the very existence of the Ryder plan were widely taken as a public admission that the Government could not allow the mass car division of British Leyland to collapse, whatever its production or profit record. All threats, or statements, to the contrary lacked credibility to the workforce and the management alike.

Mr Edwards, the new chairman, starts with every advantage of a fresh man with fresh ideas and a fresh approach. His initial move, in proposing the division of the company into four separate divisions, each with separate financial objectives and separate capital structure, is clearly designed to tackle those central weaknesses of the Ryder approach. It remains to be seen how this division will be achieved and what in practice limited liability means in the rather special context of a group, owned as to 95 per cent by the Government. In theory it should mean that the commercial performance of each component will be separately highlighted and future capital investment programmes and employment levels adjusted accordingly.

There, however, lies the real test facing Mr Edwards. It is relatively easy to change the form in which things are done

and presented. It is always much more difficult to change the substance. And with its new structure the Leyland group will still be facing the issues which have faced it since the days of the original 1968 merger, which created the group under Lord Stokes as a company in the private sector.

Chief amongst these is the question whether, in a world of high oil prices and dominant, internationally integrated car companies like Ford and General Motors, a purely national car company relying so heavily on the British domestic market and exports can survive. Allied to this is the question whether and how, if the answer is no, a manufacturing operation the size of the Leyland mass car division can be scaled down without unacceptable social and industrial dislocation. If the new management concludes, as its predecessors have done, that there is still a future for a mass car producer operating independently in this country, then the challenge shifts back to the problem of how increased productivity, reliability of delivery and profitability can be bought forth from the present mess. Under the new corporate structure, the performance of the mass car division will be much clearer for all to see. The question whether that exposure will improve performance remains entirely open.

THE EXTRADITION OF TERRORISTS

West German terrorists have been a European problem for some time. They were involved in the attack on the Opel meeting in Vienna. They attacked the West German embassy in Stockholm. They shot a Swiss border policeman. One of them had to be extradited from Greece. Twice recently they were involved in gun battles in Holland. And they left the body of Dr Schleyer, the kidnapped industrialist, in France, where they may also have been hiding. Now there is the problem of the extradition from France of Herr Croissant, the defence lawyer for several of the terrorists convicted in Germany. The problem has important political and legal aspects. Herr Croissant claims that he is a political refugee from West Germany and therefore not subject to the extradition agreement of 1951 which excludes political cases. The German authorities have supplied a 600-page dossier accusing him of ordinary criminal activity in aid of the terrorists. The court yesterday accepted a sufficient amount of this evidence to agree that there was a case for extradition. But Herr Croissant has attracted the support of a vociferous section of the French left which has accepted his "manifestly absurd argument that 'West Germany is, or is nearly, a fascist state and that he is a political resistance fighter. There

have been demonstrations around the court and about two hundred intellectuals signed a petition referring to the "persecution" of Herr Croissant. Many seem also to have accepted his equally flimsy accusation that the prisoners who died in Stammheim gaol were murdered and that he could suffer the same fate if extradited. There is at the moment no evidence to support this view and much to counter it.

Just why a number of Frenchmen should be so anxious to believe and propagate this picture of Germany is not clear. They may hope to tap the vein of anti-German nationalism that is always present in France, or it may suit their own political purposes to argue that a successful capitalist system such as West Germany's must inevitably be repressive. They are, however, making a rather curious and discouraging spectacle of themselves. Fortunately, M Mitterand, the Socialist leader, has not associated himself with the anti-German campaign, and the Government made an important gesture when it sent the Attorney General into court to support the case for extradition, but on the whole the amount of intellectual and political resistance has not been quite as firm as West German public opinion had a right to expect.

The result is a certain amount

of unhappiness in Germany. But the case has also brought to attention a wider problem which could give trouble in the future. The difference between a criminal and political offence is not, and probably cannot be, entirely clear. There is a long tradition in Europe, and especially in France, of granting special consideration to political prisoners and refugees, even if they have been involved in violence. The French extradition law of 1927 has a very vague phrase about crimes which have a "political character". This is a difficult matter for a court to decide. Anyone can claim a political motive for a crime, and the German terrorists do so, even though their political aims have become more and more obscure.

But the nature of the state against which they are operating must also be relevant, though this also stretches the normal competence of a court. If West Germany really were a fascist state there might be a different attitude towards acts of violence against it, and towards the extradition of people accused of committing such acts. This is why Herr Croissant has been so anxious in court to make his case against the West German state. It is also another reason why the decision has political as well as judicial significance. To extradite a German terrorist to Germany is a gesture of confidence in German democracy and justice.

CEMENTING THE PLURAL SOCIETY

Lord Scarman's passion for a United Kingdom Bill of Rights is well known, and he has used his considerable intellectual and persuasive skills to mount a variety of arguments in its support. He has now added a new one. His lecture to the Minority Rights Group yesterday concentrated on the issue of reverse discrimination, which, in the form of the Balke case, is causing such anguish in the United States at present.

Lord Scarman made two basic points. First, he stressed the necessity for ensuring that any legislation which, as he put it, loaded the law in favour of disadvantaged groups, be temporary. Ultimately, he argued, individual rights ought to prevail over group rights, and any law which derogated from that principle ought to remain in force for as little time as circumstances allowed. He cited the Race Relations Act, and particularly those sections which render lawful positive discrimination in favour of minority groups. No exception can be taken to his views on that point. He then went on to suggest that only by a Bill of

Rights could the rights of the individual be adequately protected against the excessive use of legislation designed to promote minority group rights. That proposition is open to question.

It is in everyone's interests that such legislation be kept to a minimum. Minority groups themselves would far prefer to be in an economic and social position which did not require the help of the law. The legislation is only there to ensure that those groups which suffer from various disadvantages are able to achieve equality of status, treatment and opportunity. Blacks would rather have that equality than the Race Relations Act. When the goal is achieved, the Act would of its own accord fall into desuetude.

Why, then, in that context, the necessity for a Bill of Rights? Lord Scarman suggests that such a Bill would enshrine the principle of equality for all before the law, hence of the primacy of the rights of the individual, whilst recognizing temporary and limited exceptions in favour of disadvantaged groups. It would put the

emphasis where it should be, on the rights of the members of the majority. The public would then properly appreciate that restrictions imposed on other people's freedoms in the name of favouring the disadvantaged were no more than expedients to be discarded "once the objective of genuine equality is achieved". But if that objective was, in fact, achieved, there would be no need for the Race Relations Act. Its abolition or non-use would not depend on there being a Bill of Rights saying that the measure was a temporary one.

There is some force in the argument that a Bill would state publicly principles which are now only implied. The very fact, however, that anti-discrimination laws exist is a clear statement that the general principle governing our society is, and must continue to be, equality for all its members. To spell out the principle may be of psychological help, but that alone does not warrant the introduction of a Bill of Rights. There are more persuasive arguments for that, most of which Lord Scarman has himself deployed in the past.

Selling eggs by weight

From Mrs S. P. Walker
Sir, Wouldn't it be far simpler to sell eggs by weight? Keeping a few hens, pullets and bantams I find out the "shop" price of, say, six standard eggs and weigh them on the shop scales—then I make up that weight of my assortment and sell them at that shop price. It could be 5 very large eggs or up to 3 eggs if most are bantam or pullet. No one complains and most say they like odd sizes for differing uses.
Yours faithfully,
S. P. WALKER,
Bramall,
Newington Park,
Cornwall.
October 28.

US withdrawal from ILO

From Mr S. B. Chambers
Sir, My attention has been drawn to Sir Robert L. M. Kirkwood's letter on the subject of the United States withdrawal from the ILO published in your issue of November 3. Sir Robert is, of course,

completely entitled to his "delight" at the further weakening of the ILO and at the United States decision to withdraw from that Organization (although it can be surmised that not even the Americans are "delighted" at what they have done). However, he might well be endorsing the sentiments of a group which considers himself in great sympathy.

It is very unfortunate that Sir Robert is hitching his comments wagon to the fact that he came to an ILO conference as a Jamaican employers' representative in 1957 and, as far as I know, has not since then attended any sessions of the International Labour Conference. The employers' group of Jamaica would not have, in 1957, advocated the withdrawal of the United States from the ILO and has not since then, not up to the present time, wished for such a move. I am completely unaware, too, of any such withdrawal sentiments being expressed by either the past or the present Government of Jamaica or, indeed, by any of Jamaica's main trade unions. Jamaica has benefited greatly by

its membership of the ILO by having at present a very healthy social security programme, a very good vocational training institute and by having had well organized management development and trade union education programmes. The island has benefited very greatly, too, by its close association with and help from the United States. There can be no reason at all for wishing to see the ILO and the United States parting company; the hope is that, to the mutual benefit of both parties, there will be a resumed membership before long.

On a personal note, I must say that I was very shocked at the light-hearted irreverence of Sir Robert's letter.
Yours faithfully,
S. B. CHAMBERS,
President, Jamaica Employers' Federation, Deputy Member of the Governing Body of the International Labour Office,
2A Rushden Road,
Kingston,
Jamaica.
November 10.

Settling firemen's pay and conditions

From Mr W. A. Wiseman
Sir, The way in which firemen's pay and conditions of service have been in the past and are now being settled leaves a great deal to be desired. An initial point is that no clear distinction is being made between an average industrial working week and the fireman's 48-hour working week. The fireman's 48 hours is 48 hours on duty. In many brigades, particularly in the Shire Counties, this means that for instance on a night shift, a fireman may enjoy a virtually untroubled night's sleep. Whenever the inconvenience of being on duty for 48 hours may be, it bears no resemblance to a normal 40-hour working week.

The pay and conditions of firemen are settled annually by L.C. Fire Service National Joint Council. They are not normally settled by the Government, yet in attempting to prevent the current firemen's strike the Government, with its best known representatives, the local authorities who, in the end, are the firemen's employers, gave way, much to the Fire Brigades Union's surprise, on the 48-hour week with an unconditional offer to reduce it to 42 hours. The effect of this is that in due course 5,000 more public sector employees will be needed, at a time when Government expenditure is being reduced. This is an example of how efficiency in the public sector is given away for short-term political advantage.

The firemen had accepted the 42-hour week and called off their strike. It would have meant that Mr Rees could say that the Government had not breached the 10 per cent rule, and yet built in what would have been an inevitable further inflationary 12½ per cent increase.

There are in effect three parties to the firemen's dispute, the Government, local authorities and the firemen. Two of these should be speaking with one voice and they are not. There are other difficulties in the present machinery. The majority of firemen are not employed by the Shire Counties. In the Shire Counties, until very recently an efficient form of fire cover was provided by full-time firemen offering their services in their own spare time to help out the brigades. The Fire Brigades Union persuaded the N.J.C. to remove this option. In effect, firemen may now do most things in their spare time but make use of their skills so expensively acquired. The N.J.C. would be a singular waste of money in our country, as it reduced their earnings.

Everyone who has had anything to do with the Fire Brigades Union knows the courage, the skill and the devotion of the firemen to whom the community owes a great deal. They may well have a good case for a rise along with the police, the miners and all the others, but this dispute must raise the question as to whether the unions really do a useful job, both for the nation and their members. It should not be forgotten that this strike was called by union conference against the advice of their own executive. It also highlights whether the present machinery for negotiating pay and conditions is the best that can be devised. One possibility for change would be to establish different terms within a national framework for firemen in Shire County brigades as opposed to city brigades, but these are not matters for detailed discussion in this letter.
Yours faithfully,
W. A. WISEMAN,
The Mill House,
Bury,
Maidenhead.
November 15.

From Mr K. R. Wing
Sir, Whilst reluctantly acknowledging the firemen's right to strike there can be no justification for their refusal to allow their equipment to be used by the temporary firemen. Do they own this equipment? Does the Home Secretary recognise the fact that

only the firemen have right of access to fire engines and breathing apparatus? More importantly, does he think it morally right that the Queen's troops be obliged to enter burning buildings with no better protection than damp rags held to their mouths?

It is ludicrous that while troops are having to undergo such hardships the equipment which would help them lies unused in fire stations. Let us hope that while they continue to risk the firemen will act decently towards the troops and allow them the use of the fire fighting appliances.
Yours faithfully,
K. R. WING,
United Oxford and Cambridge University Club,
71 Pall Mall, SW1.
November 15.

From Mr Ian McMorran
Sir, Am I the only one to be surprised at the apparent readiness of the public to accept the Government's argument that it cannot recognize the claims of any group as constituting a special case by causing a special case to be caused? I consider that to refuse to decide which cases are special in the present very special situation is to shift the one of the responsibilities of Government. (Didn't someone say "Gouverneur c'est choisir"?)

The Government should have the courage to choose. Even if it delays the return to free collective bargaining—which will not improve the lot of very many special cases—let us at least show where our sympathies lie by singling out a limited number of "special cases" and according them a generous settlement. The list need not be a long one. Indeed, the shorter the better, but mine surely must include hospital staff, policemen and firemen.

Of course we all feel that we need to be paid more, but although my own profession has been very shabby treated by this Government, I should be more gratified than jealous if I thought that a realistic economic policy had not led the Cabinet to abandon the vision of social justice. Then Labour would be in the first place. Who knows, to nail their flag to a few political principles in the run up to the election might even prove politically expedient.
Yours sincerely,
IAN MCMORRAN,
14 Eynham Road,
Borley,
Oxford.
November 15.

From Mrs Valerie A. Elliston
Sir, There is one important aspect of the firemen's strike which seems to have escaped notice but which is brought home quite unobtrusively by the Home Office announcement currently appearing in the press. It admonishes "While normal fire services are unavailable, it is important for everyone to take sensible fire precautions, and know what to do if fire breaks out." Then it follows a list of commonsense hints. It is scandalous that, when normal fire services are available, the public refuse to take those "sensible fire precautions," those "commonsense hints," those "commonsense hints" which are caused by fire or by neglect. The general attitude seems to be, "I don't need to take precautions; the fire brigade will come." How many firemen suffer injury or death as a result of this kind of non-thinking? Small wonder that they are driven to strike.
Yours faithfully,
VALERIE A. ELLISTON,
11 Ireton Road,
Colchester.
November 14.

Church investment policy

From the First Church Estates Commissioner
Sir, Mr Bulmer-Thomas claimed in the article which you published on November 15 that the Church Commissioners had missed the bus. Before one boards a bus it is a wise precaution to consider its destination and, indeed, how far, once one has caught it, it will move forward at all.

The suggestion made is that the Church Commissioners should have invested the whole of their Stock Exchange portfolio in Government securities by implication wholly in 7½ per cent Treasury Stock. This would mean that their stock yielded 15 per cent. Yours financially discerning readers will have had no difficulty in recognizing the practical problems of switching hundreds of millions of pounds in this way. Of course, a switch from equities into high-yielding fixed interest stocks immediately increases the income, though not on the scale suggested by Mr Bulmer-Thomas who has distorted his "evidence" facts by failing to compare like with like. The increase in income would have been around £15 million, not £22 million.

But some may still ask why the Commissioners did not take this opportunity to increase their income and thus the pay and pensions of the clergy by an overall figure of £15 million. After all, if concerned about inflation and

wages conforming to Government pay policy, the Commissioners could have distributed only a part of the increased income and reinvested the rest.

Apart from the fact that the prudent investor does not put all his eggs in one basket, the fact that equities have, almost invariably, out-performed fixed interest investments yielding around 7 per cent over the years, the growth of the income achieved by the Commissioners from their equity portfolio has averaged over 13 per cent per annum despite dividend restraint. Growth at an average of even 10 per cent per annum compound doubles the income and possibly doubles capital value every seven years—but on Mr Bulmer-Thomas's main assumption he would prefer doubling overnight and then fixed for over 38 years! Moreover, despite the capital gain on redemption of the Government Stock (7½ per cent Treasury Stock), if interest rates were then lower than 7½ per cent, there would be an actual fall in income on reinvestment.

I do not believe many clergy would have been pleased to find themselves "at a stroke"—in a bus which lurched forward and was then likely to remain stationary for the rest of half a century.

Yours faithfully,
RONALD HARRIS,
Church Commissioners,
1 Millbank SW1.
November 16.

Isolating South Africa

From Dr Ralph Horowitz
Sir, In his article "One way to settle the white issue in South Africa" (November 14), the Reverend Paul Oestreicher advances the now familiar arguments for economic sanctions. Such arguments completely ignore the economic history of South Africa for the past hundred years but, worse, they ignore the fact that the economic history of the humiliations and indignities imposed for generations on non-white South Africans. But ostracism is completely different from economic sanctions.

Yours faithfully,
RALPH HOROWITZ,
London Regional Management Centre,
311 Regent Street, W1.
November 14.

pendent on non-white South Africans that within a relatively short period, the power of the non-whites to compel the abandonment of apartheid would be irresistible.

That foreign investment increases the power of the non-whites is by any economic model, market or Marxist, theoretically irrefutable and historically manifest. By all means ostracize white South Africans so that they may experience a fraction of the humiliations and indignities imposed for generations on non-white South Africans. But ostracism is completely different from economic sanctions.

Yours faithfully,
RALPH HOROWITZ,
London Regional Management Centre,
311 Regent Street, W1.
November 14.

Devising a fair EEC fisheries régime

From Mrs Elizabeth Young
Sir, Michael Hornsby's article—"British Fishing—An Industry heading for an EEC storm" (November 9) and your leading article—"Still the fishermen's friends" (November 10) touching on the EEC cod debacle in Norwegian waters—forcibly remind us how far there is to go to reach a sensible Common Fisheries Régime.

The Commission's most recent proposals are still ludicrously and theoretically founded as they are on a judge by its most recent minutely detailed national quotas. On the other hand the UK's exclusive belt proposals probably do not accord with the Treaty of Rome and, even if acceptable to the Council of Ministers, would be unacceptable to the legal system of the Community. The arrival on the scene of Spain—which has one of the world's largest fishing fleets—makes it all the more urgent for the Community to reach a sensible agreement.

Can there in fact be a Common Fisheries Régime which is at once fair, and in accordance with the Treaty of Rome and capable of the kind of speedy flexibility required by the rapidly changing situation? But Brussels would have to abandon national quotas: Britain will probably have to abandon belts; and all concerned would have to recall that fisheries is only one of many activities going on in our seas, all of which have to coexist if we are to make the most of any of them. Waste disposal, pollution control (including regulation of effluents), sand and gravel extraction, reclamation of coastal wetlands, artificial island construction, disposal of shipping casualties, pipeline routing, and so on, all require the protection services—the American system might be the right model. Part of the licence fee would also go towards financing fishery and other maritime research in the zone, and would certainly be less difficult to agree than either the cumbersome "model" for allocations, in the October 17 Commission Proposal, or the simplistic 30 nautical mile belt which we cannot seriously hope to obtain.

Yours, etc.
ELIZABETH YOUNG,
100 Baywater Road, W2.
November 11.

Mapping buried history

From Major-General R. C. A. Edge
Sir, As a former Director General, I am disturbed by the changes in the archaeological activities of the Ordnance Survey which, it seems, are to be made without prior consultation with the profession. These activities are as old as the Department itself, which for almost 100 years has recorded antiquities, whether visible or obliterated, and shown them on its maps. But, in spite of the enthusiasm of individuals, the lack of professional standards has led to many mistakes, some of them bowdlerized. It was to remedy this that in 1920 Sir Charles Close, then Director General, persuaded the Government to appoint an Archaeological Officer. Sir G. S. Crawford, a brilliant field archaeologist, held the post for over 20 years, making an immense contribution to archaeological cartography and creating the period map of the country. His service was to ensure that the Ordnance Survey received the best information available and correctly interpreted it. Since then these activities have been guided by a succession of archaeological officers and assistants of comparable professional stature, including notably C. W. Phillips, Professor W. F. Grimes and Professor A. L. F. Rivet. An Archaeological Department has been developed which is renowned for the excellence of its work and is the envy of other countries, providing an indispensable service for archaeologists, historians and amateur, in Britain and elsewhere.

Now, evidently, this uniquely valuable organization is to be dismantled or, at least, so changed that essential degradation seems inevitable. The saddest feature is the demise of the former strong and professionally well qualified central direction, which ensured high standards by direct training and supervision of the non-professional staff.

Creating royal peerages
From Mr Robert R. Horley
Sir, Mr Lee's letter (November 11) Sir, Mr Lee's letter (November 11) seems to suggest that a title was denied to Captain Mark Phillips. I have always been given the impression that Captain Phillips refused a peerage when he married. Not even Parliament can force a title upon those who do not wish them.

One title which Princess Anne, as the daughter of the sovereign, is entitled to receive is that of Princess Royal. It has been in abeyance for some 12 years. As was pointed out in the Society's July newsletter, it is most odd that a grandchild of a reigning sovereign will be plain "Master" or "Miss" whereas the great-grandchild of a sovereign who died in 1936 (the expected child of the Duchess of Gloucester) will be "Lord" or "Lady".

In these days of liberation it is perhaps confusing to note that the children (if any) of The Princess Andrew and Edward will be entitled to princely titles. And the grandchildren of the above Princess will be titled "Lord" or "Lady". Women may inherit the highest hereditary title in the land, it seems (such as our present Queen did in 1952), but their children have no right to titles otherwise.

Mr Lee also seems to suggest that the non-royal hereditary peers do not "lend support" to the sovereign. Nothing could be further from the truth. It is to the House of Lords that the Queen goes when opening Parliament, and the number of hereditary peers who attend Her Majesty upon that occasion, as well as upon many others, are too numerous to mention.
Yours sincerely,
ROBERT R. HORLEY,
Chairman,
British Heritage Society,
Clen Lyon,
Osborne Road,
Andover, Hampshire.

What would a Community fishery régime look like?

(1) As the Commission already agrees, the Total Allowable Catch (TAC) would be decided on exclusively scientific grounds.
(2) The important management tool of all would be the licensing system; all European Community fishing within sea areas and all EC fishing in other states' zones would be subject to a system of annual licensing, that was:
i. a nationally non-discriminatory—as it has to be to accord with the Treaty of Rome;
ii. regularly updated in the light of the various TAC;
iii. weighted in favour of:
i. communities particularly dependent on fishing, whether the fishing is within EEC waters or elsewhere;
ii. legitimate, historic rights (ie, a tradition of overfishing should not be converted into an "historic right" to do so);
iii. and of methods of fishing that are labour intensive;
iv. energy non-intensive; and
v. meet conservation needs.

The convenience of farmers of both fin and shell-fish would be allowed for, and also that of those who will soon be "ranching" fish. Licences would specify where, when and what the holders might fish and fishing vessels would be equipped with transponders for aircraft to question automatically.
(3) The member states within whose EEZ fish was caught would be recognized as having certain property rights in that fish (again in accordance with the Treaty of Rome) and would receive payment out of the licence fee for the fish taken and for providing protection services—the American system might be the right model. Part of the licence fee would also go towards financing fishery and other maritime research in the zone, and would certainly be less difficult to agree than either the cumbersome "model" for allocations, in the October 17 Commission Proposal, or the simplistic 30 nautical mile belt which we cannot seriously hope to obtain.

Yours, etc.
ELIZABETH YOUNG,
100 Baywater Road, W2.
November 11.

staff. I am astonished to read in my friend Mr Walter Smith's letter of November 9 explaining these changes that "the OS does not employ professionally qualified field archaeologists". It has certainly employed, however casual, and, from the Annual Report for 1976-77, was still doing so then. Neither this statement nor the conclusion drawn from it can be valid. It is impossible to swallow the suggestion that the new arrangements will actually improve matters.

In future the Ordnance Survey is to rely on "local professional archaeological sources". The Department has always done this but such reliance has been proved by experience to be wholly inadequate in the absence of expert guidance from within. The Department's function is national rather than local and it is national to identify (but not investigate in detail) antiquities wherever they may be. I cannot see how such a function can be performed by Ordnance Survey staff, however expert, who have received no special training and are no longer professionally supervised.

It may be argued that the mapping of the country is almost complete and that the former expenditure on archaeology is no longer justified; but, apart from the fact that the large scale programme will not be finished for some years, no national survey, of modern Britain or the present, is ever complete. Revision is always necessary (as witness the successive editions of the Map of Roman Britain) and an organization smaller, perhaps, but essentially similar, will be needed.

I hope that, in the end, wiser counsels may prevail.
Yours faithfully,
R. C. A. EDGE,
Greenway House,
North Curry,
Trouton,
Somerset.
November 12.

Representative juries

From Miss A. S. Coode
Sir, Having recently completed jury service I would disagree with Mr A. B. Harvey's view (November 7) that "it is idle to pretend that any jury will ever represent the community at random".

Over 300 juries were called at the same time as myself. In the course of the next 10 days there were many opportunities of meeting fellow jurors and I talked to other secretaries, like myself, hotel receptionists, someone from the BBC, students, teachers, financiers, housewives, a self-employed lorry driver, an art historian, a senior British Rail official and many others. Whilst we all came from London there were people drawn from most boroughs and not only the central ones. The Jury Bailiff had some difficulty with the pronunciation of our surnames, which indicated the broad, worldwide, random mix we had all come from once.

I hope this may reassure Mr Harvey. I know I was not only assured but impressed by the way justice was seen to be done.
Yours sincerely,
ANGELA COODE,
Flat B,
15 Queen's Gardens, W2.
November 7.

Eating motorway food

From Dr J. Billam
Sir, Sir Charles Forte (November 12) perhaps overlooks the most important point. For a foreigner to discover that approximately 79 per cent of us actually like motorway restaurants probably does more harm to our tourist trade than anything Eggo Ronay may have said.
Yours faithfully,
J. BILLAM,
6 Melplash Avenue,
Salford,
West Midlands.
November 14.

Law Report November 16 1977

Apology for Crossman Diaries statement

Compensation for breach of right to belong to a trade union

Thompson v Jonathan Cape Ltd and Another

Before Mr Justice Bristow

Miss Jean Thompson, a senior statistician in the Registrar General's Office, received an apology over a passage in the recently published third volume of the *Crossman Diaries*, which referred to "a fascist nest" in the office. Miss Thompson had sued the defendants, Jonathan Cape Ltd and Hamish Hamilton Ltd, the joint publishers, for libel.

Mr Peter Boushier for Miss Thompson; Mr Tom Shields for the publishers.

Mr Boushier said that Miss Thompson was a senior statistician and the only woman of equivalent rank in the office. She was responsible directly to the Registrar General for making extrapolations from population statistics.

In volume III of the *Crossman Diaries*, the late Mr Richard Crossman stated that in 1969 he "had been told that there was a fascist nest in the Registrar General's Office" and that while at first he did not believe the allegation he later became convinced, after sitting for an hour with the staff, "that there was a real ideological pattern to the behaviour of this office". Mr Crossman referred to a lady in that office in terms which clearly identified Miss Thompson as an individual determined to provide statistics falsified by reason of political bias regarding the coloured population of Britain.

Those allegations were the gravest possible reflection upon her integrity as a statistician and as a public servant charged with

the responsibility of advising ministers and informing the public in a most important field. There was not a word of truth in those allegations, either in relation to her or to the staff for whom she was responsible.

Miss Thompson was a demographer of international repute and of the highest integrity. She was certainly not a fascist, and indeed she was not a member of any political party. Her moderate political views were known only to herself and her work had never been influenced by any political or other personal views.

The *Crossman Diaries* might become works of reference for a very considerable time as a source of contemporary history. Miss Thompson was accordingly concerned that the record should be put straight and for that reason began the present proceedings. She had not been concerned to obtain compensation and since the defendants were willing to apologize and to withdraw the allegations she was content not to proceed with the action.

Mr Shields said that the defendants wished to apologize for any distress caused to Miss Thompson by references which had been taken to suggest that her work was coloured by any political or other bias. The defendants also wished to make it clear that any such suggestions were now withdrawn as being entirely misconceived. They had agreed to pay Miss Thompson's legal costs.

Solicitors: Payne, Hicks, Beach & Co; Palmer & Co.

Brassington and Others v Cauldon Wholesale Ltd

Before Mr Justice Bristow, Mr L. D. Cowan and Mrs D. Lancaster

[Judgment delivered Nov 11]

Sections 53, 54 and 56 of the Employment Protection Act 1975, which are concerned with the redress an employee has for breach of his "right not to have action (short of dismissal) taken against him as an individual by his employer for the purpose of—(a) preventing . . . him from being . . . a member of an independent trade union . . . were considered for the first time by the Employment Appeal Tribunal. The basis of a discretionary monetary award made to the employee is compensation for him, not a fine on the employer.

The Appeal Tribunal allowed an appeal by Mr David Brassington and two other employees of Cauldon Wholesale Ltd, wholesale drapers, of Shelton, Staffordshire, from a Shrewsbury Industrial Tribunal which granted them a declaration that their right under section 53 of the Act had been infringed, and ordered the company to pay them normal wages in respect of the day they attended the tribunal hearing but awarded no compensation.

Mr Eider Tabachnik for the employees. The company did not appear and was not represented. MR JUSTICE BRISTOW said that in May 1976, the company gave its workforce a rise of 16 a week thinking it was obliged to do so by law. On discovering that there was no such legal obligation it substituted a smaller increase. In September, 1976, the three employees, with nine others, joined the Transport and General

Workers' Union. A union official asked the company for recognition and negotiating rights. The company wanted nothing to do with the union, which referred the recognition issue to the Advisory, Conciliation and Arbitration Service. Asas decided to hold a ballot on the issue; questionnaires were distributed and, on March 3, 1977, collected, but the result was not yet known.

In February the three employees issued complaints, pursuant to section 54 that their right not to have any action short of dismissal taken against them as individuals by the company for the purpose of preventing or deterring them from being members of an independent trade union, conferred by section 53(1), had been infringed. Before the industrial tribunal they said that since joining a union their employer had been putting pressure on them; and that if the company was required to recognize the union it would close the business, dismiss the workforce and restart under a different corporate name.

The tribunal had to decide two important questions of law. Did making a threat amount to action short of dismissal on the true interpretation of section 53? If so, how was compensation to be assessed under section 56(1)? It concluded that "action" included threats and that the appropriate compensation in the present case was one day's pay and out-of-pocket expenses.

There was no cross-appeal by the company against findings that a threat amounted to action, but there could be a formidable argument, which was not raised before the tribunal, that the decision might be wrong. The point would

have to be left for the future. Such an unsatisfactory situation would not have arisen if the company had taken legal advice at either level.

The object of Parliament in conferring upon employees the section 53 right was clearly to discourage employers from unfairly trying to prevent union activity in their undertakings. To effect that object, some sanction was necessary. Parliament could have chosen an expressly penal sanction, made infringement of the right an offence, and provided for penalties to be imposed by the ordinary criminal courts. But bringing the criminal law into the industrial field was widely thought to be unwise; Parliament had got to do so. It could have provided what would have been a fine but wrapped up in a non-penal formula and imposed by industrial tribunals. An example was section 70. For an infringement of an employee's right to a proper statement in writing of the reasons for dismissal a tribunal must award that the employer pay the employee a sum equal to two weeks' pay, and it had a discretion to make a declaration as to what it found the employer's reasons really were.

Where, however, the tribunal found that a section 53 right had been infringed it must, by section 54(3), make a declaration to that effect, and additionally it had a discretion to award compensation to the employee in respect of the action complained of, calculated in accordance with section 56. So compensation for the employee, not a fine on the employer, however tactically wrapped up, was the basis of the discretionary monetary award.

Compensation was for injury, whether to one's pocket or otherwise, sustained as the result of the infringement of a right. Did anything in section 54 or section 56 lead to the conclusion that Parliament intended the discretionary award of compensation to include anything other than compensation for the injury sustained? Was there anything empowering a tribunal in addition to impose a "quasi-fine" on the employer as in section 70?

Mr Tabachnik submitted that once the right had been infringed an industrial tribunal could, with nothing more, award monetary compensation. There was no need to show an injury, but if that were done compensation could be awarded.

The tribunal apparently concluded that, since the infringement was only a threat, it was not just and equitable to grant compensation without actual pecuniary loss. But the three employees would get their travelling expenses and subsistence, and the employers should pay them their wages in respect of the day spent at the tribunal. Subject to that, the tribunal did not impose any penalty on the employers.

It looked as if the tribunal had taken the view that it had a discretion to impose a quasi-fine on the employer if it thought it just and equitable, and otherwise to award compensation only in respect of pecuniary loss. If that was its view it was wrong.

Compensation had to be of such amount as the tribunal considered just and equitable in all the circumstances, having regard to the infringement of the section 53 right by the employer's action, and of any loss attributable to it.

The loss was to include any expense reasonably incurred in consequence of the employer's action and any benefit that might reasonably have been expected but for it.

Counsel rightly said that "loss" was apt to mean what one suffered in one's pocket. The tribunal was entitled to award compensation for the monetary loss the employers had incurred in going to the tribunal by way of expenses but not to order the company to pay them a day's wages. That would not be a loss attributable to the employer's action and would amount to a quasi-fine.

Compensation meant compensation of the injured party for the injury, not punishment for the employer. Injury was far wider than suffering in one's pocket; and apart from the amount to compensate for that, the compensation of such amount as the tribunal considered just and equitable was compensation for injury not suffered in one's pocket caused to the employee by the employer's action infringing section 53, and sections 54 and 56 empowered the award of such compensation. Such action might be very easily shown

to have caused injury to the individual other than injury to his pocket. The stress engendered by such a situation upon easily abused individuals to humiliate them might be awarded if a deep and sincere wish to join a union, with all the benefits of help and advice which that might entail, was frustrated. If an employer's action against an employee resulted in a union falling in respect of a recognition issue under section 11 that might be an injury which warranted compensation. Parliament had not categorized the injuries other than those to the pocket which a subsequent award of compensation might be awarded. But the employee who claimed compensation must first satisfy the industrial tribunal that his right had been infringed—if he showed that and no more a mandatory declaration was his remedy—and he must also show that a subsequent award of compensation was payable.

The appeal would be allowed and the case sent back for rehearing before a differently constituted tribunal.

Solicitors: Pardons & Brewer.

Rights to residence make charitable trust invalid

In re Martin, deceased

Before Mr Justice Walton

[Judgment delivered Nov 10]

A trust to create a home for old people, with a right for either of the testator's daughters to reside there, was held not to be a valid charitable trust. Mr Justice Walton delivered the judgment on a summons taken out by National Westminster Bank Ltd, as executors, against Mrs Gladys Emma Martin and Mrs Delphine Gladys Martin and Mrs June Diana Martin, the daughters of the testator, Walter William Martin, his two daughters, Miss Delphine Gladys Martin and Mrs June Diana Martin, and the Attorney General. His Lordship also concluded that in considering whether the trust was charitable, the home was practicable it would be unreasonable not to take inflation into account.

Bradburn for the executors; Mr T. L. C. Cullen for the testator's family; Mr John Mummery for the Attorney General.

HIS LORDSHIP said that Mr Martin made his will in March, 1956, and died in August, 1970. The will directed the executors to create a trust of residue, and pay therefrom free of all taxes and expenses annuities of £20 a week to his widow until her death, and of £5 a week to each of his two daughters during his widow's life, rising after her death to £10 a week during their lives. Clause 5 directed that any residue remaining after those annuities be used to create a home for old people; and that "either or both of my daughters shall have first right of residence in the home should they agree to its creation before their deaths. This condition shall not alter the payments to be made in paragraph 4".

It was not and could not be disputed, if only because of *In re Pugh's Will Trusts* (1969) 1 WLR 1555, that to found a home for old people was a good and valid charitable trust. But Mr Cullen said the trust was not charitable by reason of the right reserved to the two daughters; Mr Mummery said that the reservation did not affect its charitable nature.

Mr Mummery had first contended that the trust was to create a home for "old people" and that the two daughters were some species of old people, and that what was provided was a preferential right of residence. Mr Cullen said that the daughters were people who, whether old or not, were given an absolute right to reside in the home. Mr Mummery's later submission was that a provision for the daughters that could be treated as a pro tanto divesting provision. His Lordship could not accept that argument; all that the words meant was that the daughters became objects, and preferred objects, of the trust. There was no need for the daughters to be old at all; the only condition for them to have a preferential right was for them to agree to the creation of the home.

Assuming that Mr Mummery was right, that the daughters were a sub-species of the primary class of "old people", the question arose whether an undivided charitable gift to found a home for old people but with nominated private individuals having not a "preferential" but an "absolute" right of residence was a charity. Mr Mummery placed great reliance upon *In re Koettgen's Will Trusts* (1975) Ch 253, where it was held that

a gift to a primary class from which the trustees could select beneficiaries contained the necessary element of benefit to the public, and that a subsequent election to prefer, as to 75 per cent of the income, a limited class did not affect the public character of the trust.

His Lordship would not have felt free to differ from the view of Mr Justice Upjohn in that case but for the criticism of the decision by Lord Ratcliffe in *Coffey v Income Tax Commissioners*, [1961] AC 854, and by Mr Justice Pennycuik in *Inland Revenue Commissioners v Educational Grants Association Ltd* (1968) 115 TC 1. In the present case the trustees were given no discretion at all. In *Tudor on Charities* (6th ed. 1957, pp 27, 28) the essential question was stated to be whether there was more than a mere expression of preference for members of a limited class; there was a positive obligation to prefer them to the rest of the charitable class. The passage also commented that it was certainly possible to argue that Koettgen's case was wrongly decided, and that in essence the question would always be reduced to one of construction. That was a very sound observation and here, there being no preference but an absolute exclusion of the trust to a charitable class, His Lordship concluded that no other decision was consistent with sound principle.

As to practicability, since the amount required for the annuities exceeded the income, which meant that the trust was not self-sufficient, there was no question of the establishment of the home being possible during the lives of the annuitants. At the testator's death the daughters were aged 48 and 40 and allowing a minimum of 25 years for their expectation of life, and looking at the position after their deaths, would a fund barely sufficient in 1970 to buy a home and convert it into a residential care home, after being diminished to make up the annuities out of capital and taking inflation into account?

Mr Mummery contended that no account should be taken of inflation, relying on *Young v Perpetual* (1975) 1 WLR 17, where it was held that in ascertaining damages for death or personal injuries no allowance should be made for inflation.

The main reason why the courts could not do so was because there was no basis on which the calculation could be done, because no one could predict the future. But His Lordship did not think, when asking "would a reasonable man at the testator's death think that the gift was ever going to be practicable", that he could reasonably exclude from consideration the fact of inflation. His Lordship drew comfort from *In re Koettgen's Will Trusts* (1975) Ch 253, where it was held that it would be unreasonable not to take inflation into consideration.

Mr Mummery suggested that mortgages would have been available, and that local authorities could advance up to 100 per cent, the mortgage interest being covered by charges to residents, so that lack of money was not a hindrance. In His Lordship's view, however, that was not the sort of use the testator had in mind for the residue; what he contemplated was a roof over old people's heads.

Solicitors: Collier-Bristow & Co for Lampson, Bacht & Hildesheim; Southampton: White & Leonard; Treasury Solicitor.

Question for the jury

Regina v Williamson

Whether an object is an offensive weapon per se is not for the judge to decide but a question of fact for the jury, the Court of Appeal said when allowing an appeal by Alan Williamson of Manchester, against his conviction at Knutsford Crown Court (Judge Sars Llewellyn) for having an offensive weapon, contrary to section 1(1) of the Prevention of Crime Act, 1953.

Section 1(4) defines "offensive weapon" as "any article made or adapted for use for causing injury to the person, or intended by the person having it with him for such use by him".

LORD JUSTICE GEOFFREY LANE, sitting with Mr Justice Milne and Mr Justice Watkins, said that the prosecution relied on Smith and Hogan's Criminal Law (3rd ed. p 318) where

various articles, including a sheath knife, were categorized as being per se made, adapted, or carried for the purpose of causing injury. A note referred to Woodcock (1932) 113 TC 1255 in which a sheath knife was held to be an offensive weapon. The judge, taking the view that a sheath knife was per se made for causing personal injury, ruled that it was an offensive weapon.

It was not for the judge to decide whether an object was an offensive weapon, but for the jury, though the judge might give his own view after warning to the jury. Sheath knife did not describe the nature of the weapon in question. It was a knife in a sheath, and it was for the jury to decide its nature. The judge erred in his view that the conviction must be upheld.

Solicitors' failure

Regina v Ratcliffe

The Court of Appeal said that a solicitor's failure to give the necessary information for coming to a conclusion about the appropriateness of the sentence passed on a defendant, for whom the solicitor had been instructed on legal aid, was a matter to be taken into account in taxing the solicitor's costs.

The court allowed in part an appeal by Eric Anthony Ratcliffe, aged 34, against sentence for driving a motor vehicle with a blood alcohol concentration above the prescribed limit, contrary to section 6(1) of the Road Traffic Act, 1972. The defendant's appeal against conviction was dismissed.

LORD JUSTICE GEOFFREY LANE said that the single judge, when granting legal aid, had said he had specifically allowed a solicitor to be instructed "to ensure the full court gains the truth on means". But was a very far-sighted direction. A solicitor was accordingly instructed, but he was not present in court.

Counsel said that he dispensed with the solicitor's attendance and

took it upon himself so to do. That was probably sensible, but what the solicitor had not done was to find out one tenth of the information necessary for the court to come to a proper conclusion. There was only a statement about the defendant's Army medical pension of £16.50, certain of his outgoings, his family commitments and the way he supported his income by casual earnings of about £10 a week.

There was no whisper of what his capital assets were, or how he could afford to run a Mercedes-Benz, however old it might be. Quite plainly, there was an area unparagonably left unexplored. That was a matter that, might have been taken into account by the judge in sentencing the defendant.

In the circumstances, the court could only make a "substantial" reduction of the fine. The fine of £75 was possibly on the high side and would be reduced to £30-40 order for the defendant to pay £30 towards the prosecution costs. The court would also order for the fine and costs to be paid if the judge so directed.

It's got to be Gordon's

فكرنا هذا الاصل

Stock Exchange Prices

Subdued session

ACCOUNT DAYS: Dealings Began, Nov 14. Dealings End, Nov 25. § Contrango Day, Nov 28. Settlement Day, Dec 6

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THE TIMES

BUSINESS NEWS

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British Leyland decentralized into four separate companies

By Clifford Webb

Mr. Michael Edwards, the former Chrysler Group chief who was appointed chairman and chief executive of British Leyland three months ago, yesterday announced management and structural changes aimed at further decentralizing the struggling state-owned motor group.

He also hinted at more changes to come. There are few big surprises in the new set-up, bearing in mind Mr. Edwards' known preference for independent, profit accountable subsidiaries.

The four existing business groups—Leyland Cars, Leyland Trucks, Leyland International and Leyland Special Products—are becoming registered limited liability companies under their existing managing directors.

As such they will have to return properly documented annual accounts, a move which will effectively end the "masking" of individual performance in corporate returns.

Mr. Edwards himself will be chairman of all but Special Products. There the chair goes to Mr. A. P. F. Smith, Leyland's former chief executive and now an executive vice-chairman.

The present 13-strong main board disappears to be replaced by a smaller seven-member board. The present heads of the four operating companies lose their seats and only two of the five outside board members are retained—Sir Robert Clark, chief executive of Hill Samuel and Mr. Ian MacGregor, chairman of Lehman International Corporation.

Dr. Alton Coppershaw, former director of McKinsey & Co., Mr. John Gardiner, chief executive of the Laird Group and Lord Greenhill of Harrow, the former head of the Diplomatic Service, all lose their seats. Lord Greenhill will act in an advisory

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Financial Editor,
Business Diary and
British Leyland devolution, page 21

capacity to the board and serve as a non-executive director of Leyland International where his overseas connections can be put to good use.

The new subsidiary boards are all composed of existing local executives with the addition in each case of Mr. Par Lowry, corporate personnel chief, and Mr. Gerry Wright, corporate finance director. Apart from these two, the board members are:

Leyland Cars with headquarters at Coventry: Mr. Michael Edwards (chairman), Mr. Derek Whitaker (managing director), Mr. David Andrews, Mr. Colin Daniel, Mr. Spencer King and Mr. Geoffrey Whalen. A company secretary is still to be appointed.

Leyland Trucks & Buses with headquarters at Leyland: Mr. Edwards (chairman), Mr. Desmond Birch (managing director), Mr. Peter McGrath, Mr. Harold Mungro, Mr. Allen Russell, Mr. Frank Saunders, Mr. Jack Smart, Mr. Marcus Smith and Mr. Neil Sullivan.

Leyland Special Products with headquarters at Melton Mowbray: Mr. Alex Park (chairman), Mr. David Abell (managing director), Mr. Brian Hoare, Mr. Bill Sneedon and Mr. Christopher Hall.

Leyland International with headquarters at Solihull: Mr. Edwards (chairman), Mr. David Andrews (managing director), Mr. Dennis Bexson, Mr. Bert Lawrence, Mr. Jack Reardon, and Mr. Graham Whitehead. A secretary is to be appointed.

Mr. Edwards is creating an advisory board and three powerful corporate panels or committees similar to those operated so successfully in recent

years by Ford of Europe. He will chair the advisory board and two of the panels himself.

The advisory board comprises the heads of the four operating companies with a leavening of corporate staff. It will provide a forum at which all overall problems and opportunities can be debated and action programmes put forward.

A strategy panel will determine how best to implement the decisions and policies of the main board. Its membership has still to be announced. A management resources panel will decide on appointments, career development, utilization and succession of key executives. Its membership, also, has still to be announced.

A legal services panel chaired by Mr. Park will review and recommend capital expenditure plans and budgets that exceed limits set for the subsidiary companies. Members will be drawn from the advisory board. Heads of subsidiaries will not be able to vote on their own proposals.

Mr. Park, as an executive vice-chairman, will become responsible for central operations including finance, corporate planning, legal services and audit.

Mr. John McKay, Mr. Edwards' former public relations chief at Chrysler, joins British Leyland as communications adviser to the chairman.

Yesterday's announcement also confirmed reports that Mr. Edwards will run the corporation from Nuffield House in Piccadilly and will close the present headquarters block in Marylebone Road. A number of corporate staff will move to the new headquarters in the next few weeks. Others will be offered posts in the operating companies.

The spectre of redundancies is raised by the statement that the remainder will continue "for the time being" in Marylebone Road.

Signs point to increase in wages bill well above government limit

By David Blake

Average earnings increased by only 0.3 per cent in September, but it is now clear that the increase in the total wages bill is likely to be significantly above the 10 per cent target, which the Government has set for the present wages round.

Four out of five workers who would have been expected to settle in the period since August 1, when the new pay round began, have hung back from any agreement notified to the Department of Employment.

Of those who have settled—31 per cent of the total workforce—85 per cent have done so within the government guidelines, the Department says.

This figure is much lower than the figure of 96 per cent quoted last week by Mr. Healey on the basis of information provided by the Confederation of British Industry.

The department has received no notification of any major group settling for significantly below the 10 per cent figure, even though the Chancellor has made it clear that, for earnings to work out at around 10 per cent higher over the bargaining year, settlements would have to average around 5 to 6 per cent. This would require some settlements to be even lower.

The Employment Department's figures also greatly underestimate the extent to which the Government's guidelines in another way. They assume that settlements of 10 per cent will conform to the guidelines, whereas in fact many settlements exceeding the guidelines are being entered into which will turn out to be bogus.

Some of the slippage which has resulted in only half a million

AVERAGE EARNINGS

The following are the index numbers for average earnings of all employees in all industries and services covered by the monthly earnings inquiry released by the Department of Employment:

	Old series (averaging earnings Jan 1970 = 100)	New series (averaging earnings Jan 1976 = 100)	Change in (1) and (2) over 3 months at annualised rate
1976			
Sept	268.1	108.3	12.0
Oct	269.0	108.5	8.0
Nov	272.2	110.6	7.7
Dec	277.1	111.3	17.6
1977			
Jan	278.1	110.9	14.2
Feb	278.7	111.0	9.9
March	283.8	111.3	10.0
April	283.1	112.1	7.4
May	286.3	114.9	11.4
June	286.2	115.4	4.2
July	288.5	116.2	6.1
Aug	288.7	115.7	7.2
Sept	288.5	116.5	4.7

* seasonally adjusted
† not seasonally adjusted
‡ provisional

people settling since August instead of the nearly three million who settled in the equivalent period last year is caused by tough negotiations, particularly between local authorities and their manual employees.

There is, however, also a significant element of delay on the workers' side, which is likely to lead to sharp increases in earnings later in the year as new settlements come through.

This will be reinforced by the backlog of pay settlements covering workers who delayed taking a phase two deal in the hope of getting something more than the £4-a-week max-

imum allowed under that phase of incomes policy. There are signs that some of these workers, at least, may have been able to negotiate extra pay rises on "productivity" grounds.

In spite of all the delay in settlements, the percentage increase in average earnings was higher in the 12 months to September than in the 12 months to August, the first time that the annual rate of increase has gone up since March.

On the old series of figures, which started in January, 1970, and which covers six million workers the increase is 8.8 per cent; the new series which has been introduced covering 10 million workers shows a 7.5 per cent rise.

There are clear signs with a Whitehall that concern is growing once again about the growth in which the wage round is developing. The Government exerted all its efforts to prevent an explosion in pay in the weeks immediately succeeding the ending of phase two.

These efforts were successful; but several months of difficulty are expected, with some sharp increases likely and a growth of about 15 per cent for the year as a whole seen by many in Whitehall as the most likely outcome.

No indication as to whether this is likely to turn out to be correct can be gleaned from the figures for basic weekly wage rates published yesterday, which show a negligible rise in October. The wage rate index takes account only of nationally negotiated rates, and is distorted into meaningfulness by the fact that no national settlement has been made for the engineering industry since February, 1976.

Steel chief's refusal to set out options upsets MPs

By George Clark

Political Correspondent

In bitter exchanges with MPs of the Select Committee on Nationalized Industries about the crisis in the British steel industry, Sir Charles Villiers, chairman of the British Steel Corporation, yesterday refused to go into the options being discussed with the unions and the Government to avoid the continued heavy losses, now running at about £500m a year.

Mr. Edwin Watnwright, Labour MP for Dearne Valley, chairman of the sub-committee examining the steel industry's prospects, had accused Sir Charles of giving misleading information to the Select Committee in May, and had protested that the MPs could not hope to produce a worthwhile report unless they were made privy to the present discussions.

Sir Charles stood by the constitutional position. He said the corporation had a sponsoring department, with officials whose whole-time job was to concentrate on these problems. He would be prepared to come to the committee with Mr. Varley, Secretary of State for Industry, at some later date.

"But I would not be willing to give a one-sided view of negotiations which are now in full flood," he said. "If it were thought helpful to have a meeting with myself and Mr. Varley together I would be willing to play my part."

"But I am one of the parties to an agreement to try quietly to solve this huge problem. Honestly, I cannot not share of the Tower of London—going to break that agreement."

This was obviously a reference to the fact that the Select Committee, if it got the approval of the Commons, could attempt to compel Sir Charles to give the information they want under threat of being accused of contempt of Parliament.

After nearly a two-hour session in the select committee adjourned for 10 minutes' deliberation and then announced that they would go into private session. Sir Charles and his officials returned to the committee room. But he had said firmly, in advance, that he would not be able to say in private any more than he had done in public.

He was asked in open session to indicate the relative importance which BSC gives to the closure of plants, to improved management performance, and to a cutback in investment. One MP had suggested that there might be large-scale redundancies. Sir Charles said that he was not going to emphasize any option; it was a "mix" of all the options that was now being discussed.

"I appreciate your difficulty," he told the MPs. "I believe I can count on your understanding that I also have some difficulty in running the British Steel Corporation."

"My enormous difficulty, which I beg you to take on board, is that if the Government, the unions and the corporation cannot come to an agreement on what should be done, the whole prospect is infinitely dimmer. . . . A three-way merger or a tripartite agreement is very difficult to achieve and I am most anxious from the country's point of view to give hostages to day which may make this immensely difficult business more difficult."

Sir Charles thought some progress was being made towards an agreement and he hoped that Mr. Varley would be able to announce the terms before the Christmas recess.

Directors responsibilities still to be spelt out

By Maurice Corina and Edward Townsend

Fundamental revision of the articles of association of British Leyland is expected to follow yesterday's announcement.

Bankers and creditors are also likely to seek early clarification of the responsibilities of directors of the new companies. Minority shareholders holding about 5 per cent of British Leyland's equity against the National Enterprise Board's 95 per cent holding will also need to be consulted.

Although Mr. Edwards intends to turn the four new subsidiaries into decentralized profit centres, his legal advisers are still faced with the long-term question of directors' duties under company law and their relationship to creditors.

Guidelines provided for the NEB, which will have to endorse the present Leyland company, formed 21 years ago, make it clear that there is no government guarantee to creditors of any NEB subsidiary unless the Government has undertaken a specific commitment in relation to particular debts.

The position is that the NEB's own relationship to Leyland creditors must have regard to the practice of companies in the private sector. The NEB, however, has power to guarantee obligations incurred by Leyland.

The accounts of the NEB were qualified by its auditors earlier this year by a note that



Mr Leslie Murphy,
NEB chairman:
"We welcome the plans and these have been endorsed unanimously by the board"

the accounts had been prepared on the normal going concern basis which assumed British Leyland would continue to obtain finance under the long-term Ryder plan. The Ryder plan would seem to be doomed and the new chairman will clearly be putting forward revised ideas for future development and a new corporate strategy document.

MPs will be seeking clarification about the company's capital needs and investment strategy. Mr. Varley, Secretary of State for Industry, has not intervened in the initial shake-up by Mr. Edwards leaving approval to the NEB, the Government's agent.

Mr. Leslie Murphy, chairman of the NEB, was consulted by Mr. Edwards, himself a former NEB member, and his reorganization received the unanimous approval of the board, even though the legal details and financial structures of the new

subsidiaries are not expected to be completed until January.

Yesterday, Mr. Murphy said: "We very much welcome Mr. Edwards' plans and these have been endorsed unanimously by the board of the NEB."

During the day, the Treasury published a minute on a recent Public Accounts Committee report dealing with the NEB. This makes clear that the Treasury and the Department of Industry hope to establish financial duties in respect of the NEB's investment in British Leyland when it receives from the NEB its corporate plan.

The Treasury minute explains that it would not be practicable in Leyland's case for the Government to insist on the achievement of fully competitive standards of performance throughout the motor group before further public funds were released.

However, the Government does promise MPs that they will be kept fully informed about decisions to make available further sums of public aid to Leyland.

News of the Edwards reorganization was broken to top executives yesterday after several weeks of speculation about the future of the Leyland headquarters in Marylebone and its occupants. It was a well-planned exercise firmly establishing the authority of the new chairman and master-minded by Mr. John McKay, described as communications adviser and brought to Leyland from Chrysler where Mr. Edwards had his name.

Leyland House in Marylebone Road, taken over in 1974 on a 21-year lease, will be shut down by next June and 300 of the 550 headquarters staff who work for the international business will be redeployed to the Midlands.

It is believed that the new Nuffield House headquarters in the Piccadilly area will house a staff of between 50 and 100. A small central services unit, called Leyland Management Services, is to operate from separate premises in London.

Mr. Edwards' next task is to be rewriting the Leyland constitution and the Special Administrative Order on bank for scrutiny by the NEB which needs to make recommendations to Mr. Varley on financing. In the meantime, the existing time for the tranches of aid is disrupted.

Seagram in £34m bid for Glenlivet group

By Christopher Wilkins

Seagram, the Canadian concern which claims to be the world's largest producer and marketer of distilled spirits and wines, has moved to strengthen its position in the whisky industry with a £34m bid for Glenlivet Distillers.

It yesterday acquired the 27 per cent stake in Glenlivet owned by Courage, the brewery business of Imperial Group, at 440p a share, or £9.2m, together with its holding of convertible loan stock for a further £24,000. It then notified the Glenlivet board that it intended to make a bid for the rest of the shares, subject to the recommendation of the directors.

The two companies have had close business links. Seagram has distributed The Glenlivet, a 12-year-old malt whisky, in the United States for some years. Glenlivet's other main brands are Glen Grant, Queen Anne's Special and Special Reserve. Glenlivet also produces Chivas Regal, 100 Pipers and Passport.

It was clear last night that Seagram, advised by Morgan Grenfell, has been forced to

reveal its hand earlier than it would have liked. It felt obliged to announce its bid after a rapid run-up in the share price from 325p to 430p amid much speculation. The scale of the price rise, although apparently reflecting only modest dealing, is bound to raise demands for a Stock Exchange inquiry.

The 27 per cent Courage stake gives Seagram a powerful base from which to mount an offer; but much will also depend on the attitude of Sunbury, a leading Japanese distiller, which owns 11.1 per cent of the joint machinery.

Glenlivet supplies substantial quantities of bulk malt whisky to Japan. The directors of Glenlivet control less than 3 per cent of the company.

Seagram's move is yet further evidence of the interest of the leading drinks companies in acquiring small distillers. Last year Allied Breweries acquired Teacher, while earlier Whitehead had bought Long John.

Glenlivet has continued to move ahead. Last year its profits rose from £7.18m to £8.36m, and in the first half of this year were up from £1.2m to £1.54m.

Move to end inter-union bank feud

By Christopher Thomas

An inquiry is almost certain to be set up to try to end a long inter-union feud in the English clearing banks. The initiative has come from the employers, in an attempt to prevent a total collapse of the present bargaining structure.

The conflict is between the National Union of Bank Employees and the staff associations in Lloyds, National Westminster and Barclays. Traditionally they have shared bargaining rights, but Nube has given notice of its withdrawal from the joint machinery.

In proposing an independent inquiry, Mr. Edward Richards, Director/Secretary of the Federation of London Clearing Bank Employers, said: "We recognize that a situation has now been reached in which there is a danger of a complete breakdown in negotiating procedures."

The terms of reference being recommended are: "To investigate the whole question of staff representation and negotiation procedures in the major London clearing banks, and to report with recommendations."

The national executive of Nube, meeting this week, has accepted the principle of an inquiry but wants the word "major" deleted to ensure that all the big five clearers are included.

Mr. Liff Mills, Nube general secretary, said yesterday: "In my view the inquiry should command positive steps whereby the staff association can merge with us."

The three staff associations have decided to seek further information from their respective banks and to report next Wednesday to the Confederation of Bank Staff Associations.

Frenchman tipped for IMF

Washington, Nov. 16.—America favours the appointment of M. Jacques de Larosière, the French Treasury Director, as managing director of the International Monetary Fund, United States officials said today.

With this backing and that of others, it is expected that M. de Larosière's appointment as successor to Dr. Johannes Witteveen will be decided before the end of the year.

Dr. Witteveen said earlier this year that he planned to retire from the top IMF post by August 31.

Since the IMF's annual meeting in Washington in September, various possible candidates have been mentioned for the post, but it appears that M. de Larosière has become almost a certainty because of strong support for him among major Western European countries.—AP, Dow Jones.

GEORGE H. SCHOLES & CO. LTD.

WYLEX WORKS, WYTHENSHAW, MANCHESTER M22 4RA

Manufacturers of Wylex Electrical Products



Main points from the circulated Statement of Mr. G. R. C. McDowell, for the year ended 30th June 1977.

* There has been a healthy growth of turnover, with a corresponding rise in profit figures, despite the economic problems which have beset the nation. Compared with the previous year an uplift of 45% in sales has been achieved to give a record profit before tax figure of £1,864,938. With these improved results the Directors recommend the payment of the maximum Dividend allowed, giving a Final Dividend of 12.5863p per share which, together with the Interim Dividend of 4p, makes a total distribution of 16.5863p per share. This Final Dividend takes into consideration the latest tax adjustment whereby the standard rate of tax was reduced from 35% to 34%.

* Export sales have shown a substantial improvement over the previous year, amounting to a 103% increase in turnover.

* In November 1976 the Company acquired its first subsidiary, Clifton Engineers (Leyland) Ltd., who are engaged in general metal fabrication; in particular the manufacture of cabinets for electrical control gear. This production capacity will provide manufacturing assistance for our projected expanded range of products. John Nisim Ltd., a small printing company associated with Clifton Engineers, was also acquired.

* In my Statement last year I mentioned that a Director was being made responsible for the development programme and this has been carried out. This has allowed for a considerable increase in the development activity of the Company. As a result we will be in a position to introduce a range of 3 phase distribution boards during the current financial year. The manufacture of these products utilises the resources of our Clifton subsidiary as well as those of the Wylex production lines. Their introduction will increase the Company's involvement in commercial and industrial markets, expanding the Company's base into wider fields than we have traditionally held.

	1977	1976
Profit before taxation	£1,864,938	£1,327,580
Taxation	2963,181	£700,258
Profit after taxation	2911,757	£627,322
Dividends per share (net)	16.5863p	14.85p

Unilever shares dip after profits setback

By Our Financial Staff

Profits from Unilever, the giant Anglo-Dutch food and consumer products group, for the third quarter were a sharp disappointment to the stock market yesterday, and the shares fell 22p to 54p.

Against analysts' estimates of between £160m to £180m profits before tax for the three months, the figures emerged 16 per cent lower at £153.1m, while sales rose 10 per cent to £2,418m, largely as a result of price increases.

For the first nine months of the current year, profits were down 5 per cent to £465.1m, and earnings per share were 7 per cent lower.

The company says that in comparison with the same period in 1976 the September quarter was poor. Overall volume rose by only 1 per cent and there was a decline in Europe. Disappointing results were received in ice cream and animal feeds as a result of the wet summer, and oil millage was badly affected by reduced demand for feed.

North America, however, accounting for around a tenth of turnover, benefited both from higher tea prices and a switch from coffee to tea by American drinkers as a result of the even decaffeinated coffee.

The declared interim dividend for the whole concern is maintained at the 1976 level of 11.6p per share gross, but because of United Kingdom dividend restraint only 7.1p gross is payable to British shareholders. The balance will be added to the existing fund to be paid out when restrictions are lifted. This now amounts to 31p.

Financial Editor, page 21

Barclays cuts personal loans rate to 14.93 pc

Barclays Bank is reducing the interest rate on personal loans. From next Monday the rate will be 14.93 per cent, against the 16.65 per cent that has been charged since last April. Since then base rate has dropped by a third to 6 per cent.

Whitehall studies money growth curbs

By David Blake and Caroline Atkinson

Money supply figures to be published today are almost certain to be above the top end of the 9 to 13 per cent target band set by the Government.

The figures, coupled with the prospect of at least another month's overshoot in statistics to be published in December, are leading to an intensive study at both the Treasury and the Bank of England on whether there are acceptable ways in which the money supply growth can be brought back down under the 13 per cent ceiling for the financial year as a whole.

With the floating of the pound effectively insulating the money supply from the effects of capital flows, attention is now turning towards the likely course of the domestic influences on the money supply.

There is a growing certainty that it will be necessary to raise interest rates towards the end of the year if money supply continues to grow strong in the next couple of months.

If an increase in interest rates fails to bring growth within the limits, as some believe likely, the only option remaining open to the Government would be to impose a "really tight" control on bank lending, even though some critics fear this would strangle lending to industry and kill recovery.

There is still a substantial undertow of opinion both at the Bank and the Treasury that would rather accept money supply expansion slightly above the target range—say 15 per cent—rather than risk destroying recovery entirely.

Supporters of this view argue that what is important is to keep an effective grip on money supply so that it does

not far exceed the rise in nominal pay while not sacrificing all to achieve a rigid target.

The public commitment by the Governor of the Bank of England and the Chancellor to this year's target is, however, so firm and has played such a central role in the restoration of financial confidence that any "really tight" control on bank lending will be expected to ensure that they are met.

However, there is a determination not to be faced with the same difficulties next year. From then, money supply targets will be expressed in a "rolling" form to avoid the present situation where towards the end of the year the authorities can be faced with a last-minute dash to get within the prescribed limits.

The target range is likely to be set wider because of technical problems in trying to hit a narrow target.

How the markets moved

Rises	Falls
Bentley Clark 4p to 162p	Assam Frontier 10p to 340p
Courtesy Pope 4p to 54p	Comet Radio 10p to 140p
Crown Prince 5p to 92p	Ceevor Tin 20p to 510p
Dunlop Int 12p to 125p	Harmony 11p to 364p
Furness Withy 14p to 352p	Hong K & Shing 12p to 296p
Glenlivet 85p to 430p	Linford 8p to 170p
	Metal Box 10p to 300p
	Mitthead 16p to 170p

Equities made a late rally. Gilt-edged securities scored small gains.

Dollar premium 97.25 per cent (effective rate 36.55 per cent). Sterling rose 15 points to 1.8175. The effective exchange rate was unchanged at 53.7.

On other pages

TUC says textile free-for-all can ruin Europe's clothing industries

From Michael Hornsby
Brussels, Nov 16

European textile trade unions gave warning here today that any further concessions by the EEC to exporting countries would "ruin for good" the Community's clothing industries.

After talks with Mr Tran Van Thinh, the EEC's chief textile negotiator, the unions issued a declaration that continued refusal by the main textile suppliers to compromise "should be remedied by unilateral restrictive measures" from the beginning of next year.

Mr Peter Lowman, of Britain's National Union of Hosiery and Knitwear Workers, told journalists that the TUC had made clear to the Government that if current negotiations failed and the EEC was not prepared to take protective action, national quotas should be imposed under article 19 of

the General Agreement on Tariffs and Trade.

"A free-for-all next year would be ruinous for the European textile industry," Mr Lowman said. Trade unions were agreed, however, that action by the EEC as a whole would be preferable to national measures, which should be kept as a last resort.

At a press conference, Mr Tran said the European Commission had already begun redistributing to smaller suppliers some "small quantities" of the import quota of 138,000 tonnes originally offered to Hongkong, the biggest supplier of textiles to the Community, accounting for 15 per cent of total imports.

Hongkong broke off talks with the EEC last week after refusing to accept the Community's offer as a basis for negotiation. Mr Tran said: "The longer we wait for them

to return, the smaller their share of the cake will be."

In a clear reference to Hongkong, South Korea and Brazil, the trade unions said that the EEC's markets had been mainly disrupted by "major exporting countries which wrongly claim the benefit from developing country status" and whose competitiveness depended "exclusively upon exploitation of their labour force."

In such countries, the unions said, industrialization had caused unemployment in importing countries, since most of their textile output was destined for export, without in any way improving the living standards of their own populations.

The only people who benefited were investors.

Mr Tran urged India, the EEC's second-biggest supplier, to come to the negotiating table before it was too late.

Traders stress urgency of fire risk High Street fears for Christmas stocks

After three days without fire brigade protection, High Street traders are more apprehensive than ever about the threat of fire damage. Directives urging special vigilance have been sent out to staff by most of the big retail multiple stores, including Marks & Spencer and Woolworth.

Trade groups headed by the Retail Consortium are keeping in close contact with members in case further action is required. A number of traders have informally discussed the possibility of collectively hiring fire fighting devices, and most have purchased new extinguishers, fire buckets, hoses and other portable apparatus.

But the main emphasis has been on prevention. Retailers, most of which have large and valuable supplies of goods in stock prior to Christmas, are particularly anxious to avoid any loss of business during a difficult trading year.

Security patrols within the existing 24-hour watch have been ordered by the Brent Cross Tenants Association. Mr Peter Stillwell, chairman of the association and manager of the Marks & Spencer branch at Brent Cross, says that the patrols have been asked to keep a particular watch to see that hazards such as piles of rubbish are not built up during the period of the strike.

Newly built stores and shopping centres such as Brent Cross have been equipped with automatic sprinkler systems, which in theory are capable of extinguishing fires quickly without brigade help. But even so, the trade suffered 100 large fires each costing more than £25,000 last year.

The collective loss to retailers as estimated by the Fire Protection Association, an organisation financed by the insurance companies, whose function is to advise industry on protection measures, amounted to £8.7m in 1976. Among the largest of these was suffered by the Asda hyper-

market group, at Llandudno in Wales, which was almost totally destroyed in August, 1976 losing all business for more than six months.

According to the FPA over 60 per cent of fires in business premises break out at night with the most likely cause of conflagration being electrical equipment - such as space heaters, lights, and wires and cable.

At Woolworth, where its Colchester branch suffered extensive fire damage some years ago, Mr Michael Sherlock, the sales director, said yesterday that the company's fire insurance was now meticulously checked after closing time.

The hotel industry, which has collectively spent around £100m to comply with the 1971 Fire Protection Act suffered 26 large fires last year, according to the FPA. Total damage as calculated by insurance assessors amounted to over £1.4m.

Trust Houses Forte, largest of the hotel groups, said yesterday that it had warned all staff about the firemen's strike. Managers have asked to keep forward routine evacuation drills to the beginning of this week, and all staff members urged to keep a special watch on danger areas such as ashtrays and electrical appliances.

Kitchens, particularly those using deep fat frying techniques are especially vulnerable. Numerous small fires are caused in restaurant and café kitchens, but usually these are put out before extensive damage is caused. The FPA estimates that there were only 15 fires last year, which caused £25,000 or more worth of damage in this sector, amounting to a total of £955,000.

On general fire prevention, the Home Office is mounting a special emergency advertising campaign in newspapers, television and radio.

Patricia Tisdall

Steel unions spur for incentives

By Our Labour Editor

Steel union leaders yesterday deplored the state industry's slowness in reviving productivity bargaining, but on the Government's pay policy two years ago.

Mr Booth, Secretary of State for Employment, has given the go-ahead for self-financing incentive schemes to be negotiated and the Iron and Steel Trades Confederation has criticised the British Steel Corporation for "dragging its feet" on the issue.

The productivity bargaining issue becomes all the more pressing because a pay claim for 70,000 workers employed under the heavy steel industry agreement is being drawn up on November 30. British Steel has offered 6 per cent plus incremental rises for 26,000 white-collar workers. This has been rejected.

Mr Sirs said last night that his executive's disappointment over the lack of progress in productivity bargaining "will obviously motivate their actions" in today's debate on the BSC proposals to transfer the diminishing workload to low-cost plants from unprofitable steel works.

Steel chief upset MPs, page 19



Mr Findlay.

Mr Ian Findlay named as Lloyd's chairman

Mr Ian Findlay, chairman of Sedgwick Forbes, the insurance brokers, has been appointed chairman of Lloyd's with effect from January 1.

Mr Findlay, who is 59, takes over from Sir Havelock Hudson, who is stepping down after three years in office. He has been a vice-president of the Corporation of Insurance Brokers for several years and was chairman of the Lloyd's Insurance Brokers' Association in 1969.

He has been a member of the Lloyd's Committee since 1971.

At a meeting of the committee yesterday Mr Adam Gray and Mr Charles Gibb were elected deputy chairmen.

Banks' note of dissent on ED 19

By Nicholas Hirst

Clearing bankers will meet the Accounting Standards Committee, the rule-making body of the accountancy profession, early next month in an attempt to prevent their being forced to give information which would disclose their general bad debt provisions.

The requirements which would lead to a highlighting of clearing banks' bad debts provisions, up to now a closely guarded secret, are contained within the proposed accounting standard on deferred taxation, known as Exposure Draft 19.

While welcoming the general principle of ED19, that provision should only be made for deferred tax if the liability is likely to arise in the foreseeable future, the Committee of London Clearing Banks submitted a note of dissent to the Accounting Standards Committee during the exposure period of the draft standard.

The banks were particularly concerned with a requirement in the proposed standard to analyse and disclose, by way of a note, all potential amounts of deferred tax.

"For reasons of banking prudence," the committee's note said, "and with the approval of the banks' auditors, these figures are not at present disclosed and it is strongly believed that to do so would be inappropriate and undesirable."

If agreement is not reached with the ASC, the bankers would have to risk having their accounts qualified.

Freightliners head for BR

By Michael Baily

Freightliners is expected to be returned to British Rail despite denials by Mr Rodgers, Secretary of State for Transport, in the Commons yesterday, that any decision had been taken.

Such a decision would almost certainly be seen as Government bowing to pressure from the rail unions, since it is difficult to justify it in any other terms.

In the eight years since control of Freightliners was handed over to the National Freight Corporation (with 51 per cent compared with British Rail's

49 per cent) traffic has grown from 300,000 to more than 700,000 containers a year, and turnover from £5m to £40m.

Staff was reduced 8 per cent to 2,300 last year and a £1m saving converted into a £1.3m profit, progress which the NFC expects to continue this year. But British Rail argues it could do even better by integrating Freightliners' assets with its own.

Accused by Opposition speakers of ignoring the consumer interest to appease Labour and trade union pressures, Mr Rodgers said ministers had no decision on the issue.

LETTERS TO THE EDITOR

Investing in the film industry

From Mr J. Lawrence

Sir, Naturally we in the British film industry are delighted that more finance is being made available to the industry, at least in the future at some point. However, it must be said that within the industry itself, there are some doubts as to whether the National Film Finance Corporation is the right type of organ to carry out investment and loans for the making of feature films on behalf of, among others, the Government.

Indeed the significant feature in relation to the Queen's speech is not that Government policy with regard to the NFFC was spelled out but that not one single member of the House of Commons saw fit to bring up the subject of the industry in the debate on the Queen's Speech.

Clearly, the film industry is not the only one in crisis, and members who well consider it to be of a lower order of priority than, say, the fishing industry, energy or education. Be that as it may, the feature film industry is of vital importance to the future of Britain, both as an independent cultural unit with its own language and customs, and as a part of the European community.

In the last 10 years the industry has been in decline and crisis. Opinion is that new methods of film making need to be tried, and that the business executives of the industry have fallen behind with marketing techniques, film-making

philosophies and selection procedures.

Sir John Terry continues to demand for the NFFC more finance, more money, which outside observers might look like the action of a goldfish circling round and round in its bowl, never finding out what lies outside, and concerned only with the well-oiled operation of its jaw muscles.

The outside observer, who may well be a large institutional investor seeking new fields of activity, is unlikely to be impressed by an industry which continuously calls for Government funds, and might with good reason ask itself, if the NFFC has been investing in films since 1949, why has it not got any money to invest now? While the answer to this question may not as yet be clear, one thing is certain, and that is that it is not because film is a bad investment.

I believe the Government is right to withhold funds from the NFFC. What is needed first is a thorough overall servicing in the industry backed by legislation to ensure greater flexibility between producer, marketer and exhibitor, greater trust between producer and marketer, and an increase of confidence on the part of the bureaucracy in the inherent common sense of the film makers themselves.

Yours sincerely,
JOHN LAWRENCE,
John Lawrence Phillips Productions Limited,
23 Oppidans Road,
London NW3 3AG.
November 14.

Directive on commercial agents

From Mr N. E. Carter

Sir, The article "Lords condemn EEC directive on commercial agents as inflexible and distorting competition" (October 27) by George Clark, presumably refers to the House of Lords' fifty-first report—Select Committee on the European Communities (267) published by Her Majesty's Stationery Office.

The report is on the evidence given to the committee, the Lord Diplock in the chair, on Tuesday June 14 and at which meeting I not only gave evidence on behalf of British Manufacturers' Agents but also called as witnesses lawyers representing our sister organizations in the EEC under the umbrella of the International Union of Commercial Agents and Brokers.

Naturally the Draft Directive by the Social Affairs Committee of the Commission in Brus-

sels evoked some criticism by the select committee but the heading to Mr Clark's article is a gross exaggeration and does not even mention the fact that the select committee recommended that their report should be debated in the House of Lords.

The debate in the House of Lords is in fact scheduled to take place on Tuesday, November 22 next, and it is to be hoped that the report in your newspaper will be more accurate than was the case on this occasion.

Yours faithfully,
N. E. CARTER,
Secretary,
The Manufacturers' Agents Association,
PO Box 8,
Majestic House,
12 Mulgrave Court,
Middlesex TW18 4DF.
November 8.

Why architects' fees should stay mandatory

From Mr Ivor Hall

Sir, Your article in *The Times* of November 10 prompts me to give my support to the RIBA in their objection to the standard fee scale not being mandatory. It may be that the whole basis of the scale may need changing, but if a free for all situation is allowed to develop, then the "cowboys" in our midst (and there is that element in all professional bodies who are prepared to work from home using cheap student or freelance labour as and when they wish, who could quite easily undercut the professionally set-up office with higher overheads) would prosper and an inevitable erosion of the quality of work and level of professionalism would result.

Although I do not use the RIBA scale of fees myself as my own work relates to commercial interior and exhibition design work, as a member of the RIBA I am able to do so and in the end, in order to protect the client, an RIBA scale of fees must remain mandatory.

IVOR HALL,
24 Egham Gardens,
London N6 6DD.

Illusory gains

From Mr Alan P. Hughes

Sir, "Indexing capital gains to take account of inflation would incur costs of the order of £250m..." reads your "In brief" column of November 12, adding that the present yield of CGT is £330m.

Would it not give a less distorted view if you had said that "the present yield from CGT is £330m. Of this only £80m represents the real capital gains proper, while £250m represents tax extracted on quite illusory gains, a purely paper profit produced by inflation?"

ALAN P. HUGHES,
136 Highbury Avenue,
Chesham,
Surrey SA12 7HG.

CBI conference

From Mr Ian B. Robertson

Sir, The dull, unconvincing performance of the CBI speakers shown on BBC News on Monday makes one understand why the trades union movement has such a large following.

If our industrial leaders went to the same acting school as some of our left-wing fanatics then perhaps the management view would get through to the "Union Street".

Yours truly,
IAN B. ROBERTSON,
Vice-President, International Division,
G. Wood & Company
12 Mulgrave Court,
Mulgrave Road,
Sutton SM2 6LF.

A tangible end product

"Not only is there a tangible end product in production terms as a result of the provision of sheltered employment, but Remploy helps to develop the mental and physical capacities of our disabled employees."



Mr A. H. C. Greenwood, Chairman.

Regarding current trading and future prospects Chairman Mr A. H. C. Greenwood reported: "When reviewing our Accounts last year I said that we had had one of the most difficult years in the history of the Company. I am sorry to say that the year under review has been no less difficult. We have, however, succeeded in keeping within the 'cash limits' imposed by the Government both for Revenue and Capital.

The Furniture Group's products, valued at £11.3 million, were manufactured in its 29 factories by more than 2,500 disabled people.

The Leather and Textile Products Group continued its expansion and sales amounted to over 16 million, an increase of £1.1 million or 23%. This Group manages 25 factories and employs over 2,000 disabled people.

The Packaging and Assembly Group improved its sales by £1.3 million to 17.4 million, or by 21%, and now



Mr A. H. C. Greenwood, Chairman.

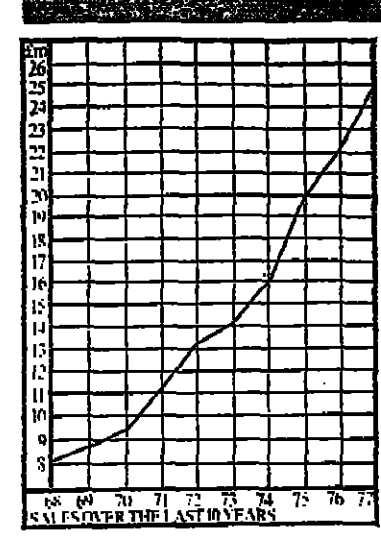
employs nearly 3,500 disabled people in its 33 factories.

The income arising from The Bifid Advisory Service Group's chargeable services amounted to £95,000.

Direct exports last year amounted to a 30% increase on the previous year.

In this current financial year we again have to live within 'cash limits' and we are aiming at a sales turnover of just under £27 million and an average labour force of about 8,150 severely disabled people."

Copies of the full Report and Accounts are available from the Secretary, Remploy Limited, Cricklewood, London NW2 6LR. Telephone: 01-452 8030.



Remploy

An exceptional name in more ways than one

LEGAL NOTICES

No. 003566 of 1977
In the Matter of THE COMPANIES ACT, 1948, in the Matter of HANOVERY LIMITED, a company registered in England, and of its Memorandum and Articles of Association. The Liquidator, Mr. J. H. SADDLER, Official Receiver and Provisional Liquidator, hereby gives notice that a meeting of the creditors of the above-named company will be held at 10.00 o'clock on the 22nd day of November 1977, at the same place as the 17th day of October 1977.

No. 004211 of 1977
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BY THE FINANCIAL EDITOR

Talk of re-imposing the 'corset'

The largest volume of business in financial markets yesterday was probably in bets on the England v Italy match. That apart, there was little doing. Equities drifted listlessly downwards, not helped by yet more disappointing company results, before coming off the bottom as the afternoon wore on. Short gifts continued to make headway, partly on hopes that short-term interest rates will hold their present low levels for a little longer, and partly on the back of further switching out of the Transpors 4 per cent stock due for redemption just before Christmas.

By and large, though, markets are waiting for developments on the labour front, waiting for this afternoon's money supply figures for the month to mid-October, and waiting for the first hint of the way next week's discussions are going with the visiting IMF team.

As far as the money supply goes, the assumption is that the October figures will be running some way ahead of Government targets, leaving the main point of interest as to just how far ahead and what, if anything, the authorities propose to do about it.

Some people are already thinking in terms of an imminent resurrection of the 'corset' to slow the rate of growth in bank deposits—the major component in the money supply figures.

The authorities may feel that it is rather too early to be contemplating fresh measures. First, they probably feel that it will take some weeks before one can really assess the beneficial impact of the sterling float on monetary growth. Second, they probably want to get through the overall strategy discussions with the IMF before they start to consider specific measures. Finally, they will be hoping that sentiment and available liquidity in the gilt market improves enough over the coming weeks to allow the whole of the new Treasury 10 per cent, 1992, stock to be sold. If that can be done, the situation could well be considered to be adequately under control as Christmas approaches. If not...

Unilever European demand remains weak

Unilever's third quarter contributed to a dull equity market yesterday, but even after a sharp 22p fall, Unilever's shares at 542p are 8.4 per cent higher than they were when better than expected second quarter figures were published in August, while over the same period the FT-100 has shown a net gain of only 1.7 per cent. But unless Unilever can pull something out of the bag in the fourth quarter that relative strength will be under pressure.



Sir David Orr, chairman of Unilever Ltd.

A 24 per cent drop in operating profits in the latest quarter still needs to be put in perspective however. Unilever's first quarter was up 6 per cent, the second 13 per cent, and the third quarter last year was particularly strong. In contrast a 60 to 70 per cent drop in edible oil prices between May and August this time created stock losses instead of the profits of the second three months.

So the 12 per cent decline for the nine months is perhaps a better guide for the year. The worrying factor, though, is slack volume in Europe, and consequent pressure on margins, which from the split between Ltd and NV attributable profits, looks to have had a fairly severe effect on the Continent.

With raw material prices, having stabilized, not too much worry on the wages

side, a rise in volume now would make all the difference to margins. Meanwhile, although the United Kingdom interim dividend is up 10 per cent at 7.1 gross, the NV dividend, allowing for exchange difference, is effectively unchanged, so the prospects of a re-rating of the shares next year, when hopefully, dividend restraint is lifted in the United Kingdom (which would allow the payment under the equalisation arrangements of the locked-up dividends currently standing at 31p and a lifting of the Ltd payout to the NV level) begins to look less attractive.

Profits before tax after nine months are down five per cent at £455.1m, and even with a maintained fourth quarter, currency factors will be a depressing effect. So the likely outcome for the year looks to be in the £565m range. Without any signs of an improvement in demand, the shares must be unexciting.

Woolworth Still out of step

Unsettled by the results from Wheatheaf on Tuesday, the market was well prepared for Woolworth. In the event in fact Woolworth's third quarter was poor rather than bad, and enough to halt a run on the shares which were 13p down at 591p last night. Here they are supported by a 10 per cent yield assuming a maintained payment. But the group's long-awaited recovery seems as far off as ever.

So far pre-tax profits are 9.5 per cent adrift at £20.7m while an 8 per cent sales increase to £498m masks a volume fall of as much as 3 per cent.

Whether the group has the strategic buying know-how or marketing ability to take on rivals like BHS, Debenhams or Tesco when spending levels improve still remains to be seen. More evidence should be available after the crucial Christmas quarter when the effects of the latest round of tax cuts begin to make themselves felt. For the moment, though, Woolworth has been the only store group share to underperform the market this year—and that by 17 per cent against the retail sector. At this point, however, the retort may have been stopped if only because Woolworth remains a share for the income-conscious.

As the colour returns to Keyser Ullmann's cheeks the question is what the longer-term future holds in store? Plainly priority still has to be given to extricating itself from its property commitments, though latest half-year figures show that this is being effected reasonably well. So Keyser is already giving thought to its future and recruiting staff to boost the fund management side and open up representative time-offices in the provinces while there are also hopes of entering insurance broking as well.

As other merchant banks are finding that these are all competitive areas it is a moot point as to whether this is a good enough springboard for a healthy future. So at 49p the main support for the shares continues to be a net worth of 63p although that level of discount is probably about right in view of the chequered past.

As it is, six-month profits to the end of September show that Keyser has just managed to squeak into the black on trading after the earlier heavy losses and this has been further boosted by a £1.5m write-back for provisions no longer needed, and some of the rest of last year's £3 provisions will be added to the profit and loss account at the year end.

With the Denington housebuilding subsidiary being run down losses there should be cut from over £1m to around £100,000 and Keyser hopes to see annual trading profits running at around £500,000. Meanwhile a further £17m of property has been sold at some £1.5m above its written down value, boosting shareholders funds from £31.5m to £32.8m and with more property sales in the second half that should reach at least £34m by the year end.

Keyser is still vulnerable to a rise in interest rates but with only a standby facility from the clearers it is reliant on cheaper market money. Although falling further in the first half, Keyser now appears confident that deposits and advances should hold steady.

Business Diary: Who's now who at BL

Edward Townsend and Ross Davies look at faces, new and not-so-new, involved in the latest reshuffle at British Leyland.

From the people point of view, the big question today must be: who will head three of the four new operating companies?

Michael Edwards, the chairman and chief executive, has been named as non-executive director of the holding company, British Leyland Limited.

Alex Park, chief executive until Edwards came in, will combine non-executive chairmanship of the fourth, Special Products, with an executive vice-chairmanship of the holding company.

Edwards will probably retain the chairmanship of Cars, which is the group's prime disaster area, particularly since he can now fall back on a deputy chairman. This is Ian MacGregor, a Scot who was formerly chairman and chief executive of the big American mining group, Amstar, as well as of other big United States concerns, such as Singer and Bendis.

This still leaves the question of the Truck and Bus and International chairmanships, which incidentally carry non-executive vice-chairmanships like Park's at the new Nuffield House headquarters.

Neither Edwards nor anybody else at BL was talking about the two vacancies yesterday, but if they follow the pattern set by Edwards' choice of two holiday company direc-

tors, then they could be strangers to BL and to the motor manufacturing industry alike.

They will, however, have a track record of success and be acceptable to the NEB, which Edwards consulted before announcing the reshuffle.

This is the pattern with the two newcomers who were yesterday named as non-executive directors of the holding company, British Leyland Limited. Austin Bide and Albert Frost are newcomers both to Leyland and to the motor industry and have both had successful careers in their chosen industry, chemicals.

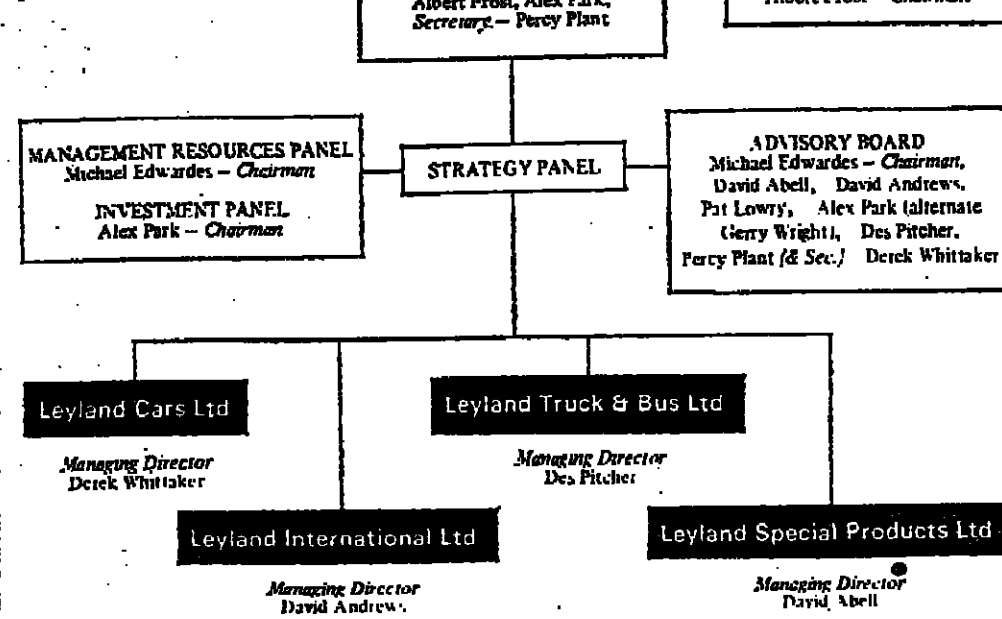
Bide, who is 62, is the chairman of the chemical manufacturers Glaxo, a big but quietly effective company. He prefers fishing to public life, but when last year's Labour Party conference called for the nationalization of the pharmaceuticals industry he spoke out.

Nationalization, he said, was incorrectly regarded as a panacea, he added, "those who prescribe drugs demand specific remedies for specific ills, and deeply distrust panaceas."

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DECISION MAKING STRUCTURE

16 NOVEMBER 1977



Devolution—British Leyland style

The reorganization of British Leyland which resulted from the Ryder committee recommendations of two and a half years ago was largely aimed at breaking up the monolithic central control exercised by the then chairman Lord Stokes and his deputy John Brierley. It is not overdone the case to say that management in the operating companies had become so frustrated by the near impossibility of obtaining decisions without months of delay that they were in a state of open revolt when the Government mounted its rescue operation.

The Ryder plan called for a much reduced corporate staff in London and the creation of four largely autonomous business groups—Leyland Cars, Leyland Truck & Bus, Leyland Special Products and Leyland International—each with its own managing director and operating committees.

A theory it was a big step forward in the better utilization of the management and specialist talents which had long stagnated in Leyland's scattered plants and offices. In practice it proved to be almost as frustrating as the old set up. Instead of the dead hand of one corporate control, the managements of the new groups found themselves answerable to three masters, the main board under chief executive Alex Park, the National Enterprise Board as the controlling shareholder, and Mr Varley's Department of Industry.

Managing directors like Derek Whitaker, the head of Leyland Cars, spent so much time travelling to London followed by wearisome hours justifying every move to three sets of eyes, that they simply did not have time or energy remaining to develop the structure of their own divisions.

Add to that the fact that every time there was a major confrontation with the work force—and there were many in Leyland Cars—their masters insisted on blow by blow personal accounts sometimes ending in demands for yet another review of company structure and plans.

Now Michael Edwards, the ex-Chloride chief who was appointed chairman and chief executive of BL three weeks ago, has come up with yet another reorganization plan which, he claims, will carry decentralization further down the road taken so hopefully by Ryder. On paper it would appear to offer something but decentralization with its heavy superstructure of an advisory board and three corporate panels controlling every phase of decision making.

A more careful study, however, gives some grounds for hope. The old main board made up of eight executive directors (including the heads

of the four operating companies) and five non-executive directors, has been replaced by a much smaller seven-man board of which only Edwards and Alex Park (the former chief executive) are full time. The others, drawn from the top echelons of banking and industry, have proven track records and will be able to steer Edwards around the worst pitfalls.

Initial impressions suggest it is a board constructed to operate as a holding company. Certainly it is small enough for quick decision making.

It is the appearance of the Advisory Board and executive panels which were being viewed with suspicion within Leyland last night. They each have a clearly defined function and it is how they exercise these functions which is awaited with some trepidation. Will they once again constitute a bottleneck between the operating arm and decision-making?

The likelihood of more structural changes to come is being hinted

There will be few if any complaints about the membership of the four subsidiary boards.

Edwards is non-executive chairman of all three motor subsidiaries. The exception is Leyland Special Products, the mini conglomerate of 11 companies manufacturing anything from construction equipment to refrigeration machinery and headed by 34-year-old David Abell. The decision to install Park as the non-executive chairman here will be seen by many as a move to add a leavening of experience to Abell's youthful exuberance.

Two other corporate executives sit on all four subsidiary boards—Pat Lowry and Gerry Wright. Lowry, 57, joined BL in 1970 as group personnel director. He was later director of the Engineering Employers' Federation and is acknowledged to be one of this country's top industrial relations experts and a man highly respected by union leaders.

Wright, 51, corporate finance director, was with English Electric, Ford and AET before joining BL in 1968. He too is well thought of both inside and outside Leyland.

Edwards' chairmanships at operating level, supported by two key corporate executives, are the clearest pointer yet to meaningful decentralization.

Economic notebook

Things will look better before they get worse

Britain's inflation rate is coming down fast. The annual rate of price increases in the last half of this year should end up at about 7 per cent, sharply down from the near 20 per cent annualized increase in the first six months of the year.

This almost respectable inflation performance will probably continue until well into next year. Unpublished government forecasts are of a 7 per cent annual rate rise in retail prices over the next six months.

Unfortunately even while the monthly figures will be heralded as showing a further decline in the most usual inflation measure—the year on year rise in retail prices—the underlying rate of increase will be edging inexorably higher.

Earnings increases are the key. Yesterday's figures were as good as could be expected. Although the year on year rise in average earnings turned up for the first time for six months, this was largely a reflection of a quirky drop in earnings between August and September last year.

In the first two months of phase three the size of the average pay packet (before tax and national insurance) increased by barely more than 1 per cent. However, this is not an accurate guide to the likely outcome for the whole of the pay round.

It is a more or less open secret that officials in the Treasury are looking for a 15 per cent increase this year in the national wage bill, although the buoyed up by November pay rises of 1974-75. Such an outcome may even be compatible with a levelling out of price inflation in a year's time at around 10-13 per cent on year.

If earnings rise by much more than 17 to 18 per cent, as they easily could, then a reacceleration of price inflation is bound to occur.

Meanwhile the prices in Britain's main competitors will be rising at a rate well below 10 per cent. With the pound buoyed up by November pay rises of 1974-75, such an outcome may even be compatible with a levelling out of price inflation in a year's time at around 10-13 per cent on year.

It is still needs to be hammered home that in anything other than the short term overall living standards can only rise as fast as output increases.

For a short while it is possible to buy more from abroad by charging more for exports, whether this comes through faster domestic price rises or a higher exchange rate. Sooner or later the exchange rate catches up.

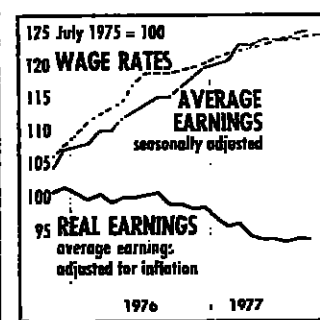
Neither is there much scope for raising real wages through squeezing profits: there is not that much which can be squeezed.

The Government can give a boost to real incomes through cutting taxes, but this only increases the government's borrowing to the point where it leads to more output.

There is room for a genuine increase in incomes next year. Both output and output per worker are expected to rise, but to the extent that earnings rises exceed the rise in productivity they will feed into prices.

The Government's commitment to money supply targets should stop inflation from soaring out of control. It may also lead to less employment and output for a given level of earnings rise as firms find themselves unable to finance high settlements. It is unlikely, however, to stop the present wage round from pushing wage inflation well above the average in the other industrialized countries.

Caroline Atkinson



The Chancellor also warned in July that an average earnings rise of 15 per cent would prevent inflation falling into single figures and would ensure a faster acceleration throughout 1978 and into 1979.

The decision to allow the pound to float upwards and the favourable trend of commodity prices so far this year, has modified this official gloom.

At the time of his October economic package, Mr Healey said merely that the path of inflation in 1978 "would depend crucially on the level of wage settlements". The text accompanying the published Treasury forecasts warned vaguely that prices would begin to accelerate again in the middle of next year if earnings rose by more than 10 per cent.

Last week's offer to local authority manual workers was something of a fiasco. It could be interpreted to be equal to an average earnings rise of 10.7 per cent, although

Clifford Webb

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able to maintain or even increase his influence. As well as his holding company seat, he is both on the powerful advisory board as well as chairman of the new panel that vets all expenditure, and he is responsible for the finance, corporate planning and audit.

Two other members of the former Leyland board are yet with us. One is Gerry Wright, who was finance director and who will be Park's alternate on the advisory board. The other is Pat Lowry, former personnel director and now director of personnel and administration (also on the advisory board).

Don't call us, we won't call you: when news broke of the decision to close BL's Marylebone Road offices—former home of another stricken company, Burmah Oil—a 1500,000 telephone exchange link to group operations throughout the country had just been installed, ready for operation early next year.

They will both be non-executive members of the four company boards.

Two departures from the board, those of John Gardiner, and of Lord Greenhill, call for adieu rather than farewells. Gardiner, chief executive of the Laird shipbuilding group, will as a member of the NEB, have a far hand to take part in decisions affecting BL's future.

All change: an executive said at BL headquarters yesterday that he should have guessed that they were all about to be turfed out. All the WCs have at last been painted.

Like Leslie Murphy, chairman of the NEB since Lord Ryder's resignation and a former deputy chairman of Schroder's, Lord Greenhill has a background in both City and public life. He is a director of Warburg's and is a government director of BP in which the state has a 51 per cent stake.

Although leaving the BL board he will remain as an adviser to those who stay and will serve as a non-executive director of Leyland International.

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WOOLWORTH Interim Report

Nine months ended 31st October, 1977

Salient figures and comment from the unaudited statement of profit of the Company and its subsidiaries for the nine months ended 31st October, 1977, with comparative figures for the previous financial year.

12 months ended 31st January, 1977		9 months ended 31st October, 1977 31st October, 1976		Increase (Decrease)
£000's		£000's	£000's	%
664,954	Turnover (excluding value added tax)	497,722	459,333	8.4
45,521	Trading Profit	24,281	26,090	(6.9)
40,967	Profit before taxation	20,678*	22,854	(9.5)

*After charging £1.5 million (1976-Nil) depreciation on freehold buildings and long leaseholds.

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The rate of increase in sales shows some improvement in the third quarter but is insufficient to support other than a cautious view of the result for the full year.

F. W. WOOLWORTH AND CO., LIMITED
Woolworth House, 242/246, Marylebone Road, London NW1 5JL

FINANCIAL NEWS

Disney and American Express decide against a marriage

Burbank, California—Walt Disney Productions disclosed that it recently met with American Express to consider combining the two companies. But no further meetings are planned and consideration of the matter has ended.

The two groups made this plain after inquiries from the New York Stock Exchange. Last week executives of American Express made a visit which had been arranged several weeks ago at the offices of Walt Disney Productions.

During the visit American Express officials suggested that there might be areas of joint interest, which would indicate the desirability of considering a combination of the two companies. No terms were discussed, the companies said.

Reports of a possible merger after a completely unfruitful meeting were completely untrue, the companies said.

American Express (travel, banking, insurance) decided last month through its International Banking Corporation to inject capital into Group Lotus Car Companies in a deal giving it an option to subscribe for nearly 10 per cent of Lotus.

International

Half these arise from consistent activities which saw no increase in volume, and the other half from distribution operations whose sales rose by 11.4 per cent over the nine months.

Tenneco listings

Houston, Texas—Tenneco has announced that its common stock has been accepted for trading, effective from today, November 17, on the stock exchanges at Basel, Geneva and Zurich.

The addition of the three Swiss exchanges brings to seven the number of exchanges outside the United States on which Tenneco common stock is traded. The stock was listed on the Frankfurt and Dusseldorf exchanges on November 8 and 9. It has been listed on the London exchange since early last year and on the Toronto exchange since 1970.

Tenneco is the twentieth largest industrial corporation in the United States in terms of sales.

Eastern Air Lines

New York—The proposed offering of 2m shares in Eastern Air Lines preferred stock has been postponed, lead underwriter Merrill Lynch said.

The shares were to have been tentatively priced last night for a proposed offering today. But Merrill said that the pricing will not take place. As yet it could not say when the issue will be offered. Merrill also said that it could not say why there has been a delay. However, the firm did add that the issue will still arrive.

Ford looks ahead

Mahwah, New Jersey—Ford Motor is projecting United States Real Gross National Product growth in 1978 of 4.3 per cent, executive vice president

Landsecs up 34pc in opening half-year

The fall in interest rates helped Land Securities Investment Trust, the largest property group in the world, to a respectable rise in pre-tax profit in the half-year to Sept 30.

Gross income was 10.5 per cent greater at £31.01m. Dealing only with income from completed properties, net rents and interest receivable went 12 per cent ahead to £22.5m. But with the interest bill down from £10.84m to £10m, pre-tax profit has jumped by 34.7 per cent to £12.57m.

Volkswagen confirms

Wolfsburg—Volkswagenwerk's 1977 profits will be strong enough for the board to recommend an increase on last year's DMS dividend as well as payments into reserves, VW reaffirms.

VW added that the latest interim report states that turnover in the first nine months rose 12 per cent to DM17.75 billion. Vehicle sales rose 4 per cent to 1.66m. VW's domestic market share in the first nine months rose to 30.7 per cent from 27.4 per cent in the corresponding period last year.

Several times this year VW chairman, Herr Toni Schmieder has said a higher 1977 cash dividend is a realistic expectation but he has always declined a concrete forecast.

Warner up 24pc and more on the way

Along with improved first-half results from Warner Holdings, comes the prospect from Mr "Bill" Warner, the chairman, that the second six months which takes in the peak holiday period shows a "continuing improvement".

The group managed a rise in pre-tax profits of 24 per cent to £301,000 for the six months to July 31.

Group revenue went up from £3.45m to £4.02m and the directors intend to declare an interim dividend unchanged at 0.53p gross.

Canadian Pacific

Canadian Pacific expects its earnings in the 1977 final quarter to be down from the 1976 fourth quarter. Although income from CP investments may increase, it is not likely to be sufficient to offset reductions in other sectors, most significantly rail and ships, the group said.

Canadian Pacific reported third quarter net of \$561.2m (about £30.6m) against \$551.2m a year ago. The gain was due mainly to CP investments and CP Air with partially offsetting decreases in CP Rail and CP Ships.

Briefly

G. E. DAWES HELDS
Chairman says intended disposal, which was voted on at 200p, will be sold at 22.30p and provide a further 59p a share. Liquidator is to make a further distribution of 25p a share by April.

CENT & DIST PROPS
Group is to raise at par the £737,000 outstanding 61 per cent first mortgage debenture stock 1981-83.

B. ELLIOTT-NEWMAN
Acceptances received by B. Elliott Newman & Co. (1977) Ltd. for the £4.88 pc of Newall Machine Tool offer remain open until Nov 30.

FINANCIAL INVESTMENT
Chairman says that reorganisation of group continuing and board aims to use temporary support given, to achieve a return to full profitability.

BBS SHARE SCHEME
Chairman says that although it is too early to quantify the long-term benefits of the sale of Lloyds British Testing, the immediate effect on the Shareholder Group was to reduce group borrowings from £2.3m to £0.2m. Group is now virtually free of gearing, so that it is well placed for further expansion.

STANDARD HOLDINGS
Chairman says that despite stimulation given to economy by mini-budget, the share price has not yet reached its peak. Exports on other hand continue to do well.

Business appointments

NatWest International board restructured

As a result of the recent restructuring of National Westminster Bank group's international business, Mr G. C. Drage has been made head of operations, has been made head of banking operations, international banking division, and Mr T. A. Green becomes head of marketing and finance.

Mr Green is succeeded as chief international executive, corporate financial services, by Mr R. J. Jarritt, senior international executive for the United Kingdom.

Mr D. Morgan, chief manager, overseas branch, has been made chief international executive, Europe, succeeding Mr E. E. Ruddell, who becomes chief international executive, offshore banking operations.

Mr G. C. Drage, executive vice-president, executive office North America, is to be chief international executive, United Kingdom banking operations.

Mr G. J. Peacock becomes chief international executive, strategic investments.

Mr D. A. L. Hickson is the new chief executive of Burslem Industrial Products. He will succeed Mr J. A. Roberts, who is leaving the group to become managing director of Ruberoid.

Mr H. J. Hebbden, deputy managing director, has been made managing director of Massey-Ferguson (United Kingdom). He succeeds Mr R. M. Jennings, who is leaving the company.

Mr Christopher Straug and Mr Peter Clarke have been made joint managing directors of Audit & Whorby.

Mr J. W. Todd joins the board of E. Killo.

Mr L. Davis has been made a director of Trident Television.

Mr Nicholas Asherton is to become senior partner of stockbrokers Montagu, Leach, Stanley from April 17 next. Mr Geoffrey White will remain deputy senior partner. Mr Asherton succeeds Mr P. M. Tapscott.

As a result of the death of Mr

Remploy could see £20m deficit this year

By Alison Mitchell
Remploy, the Government-backed company providing jobs for the disabled, had a £16.9m excess of expenditure over income in the year to March 31. The deficit this time round is likely to be even greater. Financial director Mr Russell Benjamin admitted to Business News yesterday that in the first six months of the current year the loss totalled £10.1m against a previous £8.6m. This could see the company some £20m down at the end of the period.

Oddly, the problem comes from increasing sales.

The nature of the group, with its 86 factories scattered throughout the country and its wide range of products, means that the more it sells the more it loses.

And in the first six months of this year, sales in the United Kingdom increased by more than 6 per cent to £13.3m. Exports, so far up 30 per cent to £540,000, are on target to reach £750,000 by the end of the year. Wages also have an impact on Remploy. In early 1974 the average basic pay in the Remploy factories was £18.12. This is now £38.50 and has led to a cut in the workforce.

Chairman Mr Allen Greenwood says in the annual report that, to keep within the Government's "cash limits", the Remploy workforce were cut by over 500 in the year to 1972. This was brought about through natural wastage rather than redundancies.

But there are plans drawn up with the Manpower Services

Commission, to increase this total to 9,100 by the early 1980s. However, the chairman points out that a small rise in wages adds an extra million pounds a year to the wage bill. This in turn can set a limit to the number of disabled people that can be recruited.

In the last accounting period Government grants to the company totalled £18.9m compared with £16.8m the year before.

The savings to the Exchequer, according to the chairman, from these disabled people being in employment amounts to at least £14.5m leaving the cost to the country, in real terms, at some £2.5m net of interest on capital.

The chairman also outlined plans for the provision of five

additional and four replacement factories. A study group looking into the problems at Remploy has found that almost 20 factories ought to be replaced.

But limits on capital spending will result in this programme going ahead at a slower pace than might be desired, he said.

Sales in the packaging and assembly and clothing and leather goods divisions are well ahead of the same period last year but the furniture side of the business is, in line with the sector, finding the domestic market heavy going.

In recent weeks Remploy has won a £273,000 order from the American Defence authorities to provide overalls used by Navy pilots.

Unilever results

for the third quarter and first nine months of 1977, and the interim Ordinary dividends

COMBINED RESULTS (£ millions)

Third Quarter 1977	Third Quarter 1976	Increase/Decrease	Nine Months 1977	Nine Months 1976	Increase/Decrease
2,418	2,202	+10%	7,230	6,445	+12%
1,014	957		3,036	2,736	
1,404	1,245		4,194	3,709	
144.9	190.5	-(24%)	436.8	498.3	-(12%)
4.1	(6.6)		4.1	(10.7)	
0.5	0.8		1.1	1.4	
14.7	4.6		45.1	9.8	
(11.4)	(7.7)		(32.0)	(21.9)	
(11.4)	(10.2)		(35.1)	(30.4)	
0.3	2.5		3.7	8.5	
153.1	181.6	-(16%)	455.1	476.9	-(5%)
(68.0)	(84.9)		(210.4)	(222.0)	
(7.0)	(2.0)		(20.9)	(4.4)	
0.1	0.4		(0.6)	(3.0)	
(6.5)	(11.2)		(17.2)	(31.2)	
(5.6)	(10.3)		(14.4)	(28.4)	
(0.9)	(0.9)		(2.8)	(2.8)	
71.7	83.9	-(15%)	206.0	216.3	-(5%)
(1.4)			(3.9)		
70.3	83.9	-(16%)	202.1	216.3	-(7%)
38.5	38.1		112.8	95.1	
31.8	45.8		89.3	121.2	
18.93p	22.58p	-(16%)	54.41p	58.23p	-(7%)

Exchange Rates
As has been our practice the results for the quarter and the first nine months and the comparative figures for 1976 have been calculated at comparable rates of exchange. These are based on £1=FL 4.18=US\$ 1.70, which were the closing rates of 1976. Total Concern profit attributable to ordinary capital for the current quarter and the first nine months has also been recalculated at the rates of exchange current at the end of September 1977 being based on £1=FL 4.29=US\$ 1.75.

Accounting Policies
As we explained in our two previous quarterly announcements we have, in our reporting prior to 1977, made no distinction between associated companies, which are minority shareholdings where we have a significant influence in management, and trade investments where we have not. The results of associated companies have in total been immaterial and, therefore, such companies have been treated as trade investments with only income received taken up in the consolidated Profit and Loss Account. The sales and operating profits of associated companies and trade investments are not included in the Concern figures.

With effect in the consolidated accounts from 1st January, 1977, our shareholding in UAC of Nigeria was reduced from 80 per cent to 40 per cent and that company ceased to be a subsidiary and became an associated company. Consequently, UAC of Nigeria sales and operating profit are no longer in the consolidated figures. After UAC of Nigeria became an associated company total results of associated companies became material and a change in accounting policy was required. As from 1st January, 1977, therefore, whilst the sales of associated companies continue to be excluded, our share in their results is shown separately after operating profit.

The 1976 figures are restated on the new accounting basis: sales and operating profit for that year are unaffected but profit before taxation and profit attributable are increased by some 1 per cent over the originally published figures, due to the inclusion of our share of results from associated companies which were previously treated as trade investments.

RESULTS

The September quarter was a poor one, especially in comparison with the good results for the corresponding period of 1976. The sales increase was largely accounted for by price rather than volume, which rose by only about 1 per cent in the quarter.

In Europe markets were sluggish and sales volume fell slightly. Disappointing results in Animal Feeds and Ice Cream can be attributed to the wet summer of 1977 as opposed to the hot drought conditions in 1976. Oil milling results were badly affected by reduced demand for meal, leading to lower volume and margins.

In North America this quarter's profits improved on those of 1976. In other overseas countries results remain ahead of last year. Results from UAC International continue to be good.

Total results are again influenced by the effect of the change in the shareholding of UAC of Nigeria. Based on a comparison with 1976 figures adjusted to show the effect of this change, sales in the September quarter rose in value by 14 per cent while operating profits on this basis fell by 15 per cent for the September quarter.

DIVIDENDS

The Boards today declared interim dividends in respect of 1977 on the Ordinary capitals at the following rates which are equivalent in value at today's rate of exchange in terms of

the Equalisation Agreement between the two companies:
LIMITED
per 25p Ordinary share
7.64p (1976: 7.46p)

N.V.
per Fl. 20 Ordinary capital
Fl. 3.40 (1976: Fl. 3.20)

LIMITED's interim dividend, taking account of the reduction in Advance Corporation Tax, is equivalent to the interim dividend for 1976. The strengthening of the £ Sterling gives rise to a higher interim dividend in N.V.

In the case of N.V. the interim dividend will be paid on 22nd December, 1977.

Of LIMITED's interim dividend, an amount of 4.66p per share will be paid on 23rd December, 1977 to shareholders registered on 9th December, 1977.

In gross equivalent terms (i.e. after adding Advance Corporation Tax at the current rate) this payment of 4.66p will represent an increase of 10 per cent over the corresponding payment a year ago (4.18p).

The balance of LIMITED's 1977 interim dividend, amounting to 2.98p per share, and the deferred balance of 1976 and earlier dividends amounting to 17.79p per share making a total of 20.77p per share, will be paid, when circumstances permit, to holders of Ordinary capital now in issue registered at the time of payment. For the purpose of equalising

LIMITED's and N.V.'s dividends under the Agreement, the Advance Corporation Tax in respect of any dividend paid by LIMITED has to be treated as part of the dividend. The figures now announced for LIMITED's 1977 interim dividend and the deferred balance of 1976 and earlier dividends have been calculated by reference to the current rate of Advance Corporation Tax (34/66ths): if the rate is changed before payment of these dividends has been completed, the figures will be adjusted accordingly and a further announcement made. The 1976 interim dividend of 7.46p shown above was calculated at the then current rate of 35/66ths.

The resolution of the members at LIMITED's Annual General Meeting on the 11th May, 1977, required the final dividend in respect of 1976 of 11.78p per share declared by that resolution to be adjusted by the Directors in the event of a change in the rate of Advance Corporation Tax. Since then the rate of Advance Corporation Tax for the year beginning the 6th April, 1977, has been fixed at 34/66ths. If this rate had been determined prior to the payment of 7.01p per share in respect of that dividend on the 23rd May, 1977, the payment would have been 7.12p per share. A further payment of 0.11p per share will therefore be made on the 23rd December, 1977 to shareholders registered on the 9th December, 1977.

16th November, 1977

Walker & Homer suffers

by Michael Clark
Trading in the last six months at Walker & Homer, the maker of upholstered furniture, has worsened to an extent the industry has not previously experienced. So says Mr Gerald Walker, chairman.

The group recently announced a fall in pre-tax profits from £361,000 to £230,000 for the year to July 31. Some £28,000 of these were made in the first six months. Turnover for the year rose from £5.7m to £5.8m.

Because of the pressure on

consumer spending recession has persisted longer than expected. To combat this, Walker has closed its Bolton factory. This will reduce overheads but enable it to increase production quickly and take advantage of the expected up-turn in trade when inflation makes its impact.

The group is trying to improve its market share by concentrating on the development of new models. In that respect, reviews were successful in obtaining the design of the year award for its all-leather five-piece grouping known as the "Puma" range.

SPENCER GEARS
Chairman says current year has started well with better turnover in all parts of group. He expects to report further progress this year.

ARTHUR BELL & SONS LIMITED



SCOTCH WHISKY DISTILLERS

PERTH

	6 months ended 30th June 1977	6 months ended 30th June 1976	Year ended 31st December 1976
	£000's	£000's	£000's
Group Turnover—excluding inter-company sales	43,661	40,470	116,977
Scotch Whisky Division	36,557	36,464	105,878
Glass Container Division	7,044		11,076
Transport Division	60	4,006	23
	43,661	40,470	116,977
Group Trading Profit	5,775	4,021	11,536
Less: Depreciation	604	520	1,048
	5,171	3,501	10,488
Add: Investment Income	5	4	9
	5,176	3,505	10,497
Less: Interest on loans	1,411	1,227	2,971
Group Profit before Taxation	3,765	2,278	7,526
Scotch Whisky Division	3,138	2,617	7,439
Glass Container Division	667		151
Transport Division	(40)	(339)	(84)
	3,765	2,278	7,526
Taxation—See Note	318	191	665
Group Profit after Taxation	3,447	2,087	6,861
Earnings per share	24.86p	15.09p	49.49p

Dividends
An ordinary dividend of 4.41692 pence per share is proposed for the accounting period of six months to 30th June, 1977. This will absorb £753,000. For the year to 31st December, 1976, an interim dividend of 2.97087 pence per share and a final of 3.15 pence per share were paid and together absorbed £847,000. Preference dividends paid in the six month period to 30th June, 1977, amounted to £8,000 (year to 31st December, 1976 £15,000).

Note:
The estimated relief from taxation arising from increases in stocks held by the Scotch Whisky Division is now regarded as a permanent saving as the Board does not consider that the value of such stocks to be held in the foreseeable future will fall below the value at 30th June, 1977. The current taxation charge reflects the change in policy and the taxation charges for prior periods have also been adjusted.

MARKET REPORTS

Eurobond prices

mid (day indicators)

Country	Year	Price	Yield
Australia	1983	100.00	10.00
Belgium	1983	100.00	10.00
Canada	1983	100.00	10.00
France	1983	100.00	10.00
Germany	1983	100.00	10.00
Italy	1983	100.00	10.00
Japan	1983	100.00	10.00
Netherlands	1983	100.00	10.00
Spain	1983	100.00	10.00
Sweden	1983	100.00	10.00
Switzerland	1983	100.00	10.00
UK	1983	100.00	10.00
USA	1983	100.00	10.00

Wall Street

New York, Nov 16.—New York stocks closed mostly lower today, with some blue chip issues showing sharp losses.

The Dow Jones industrial average was down 5.72 at 837.06.

Some 740 issues declined against about 585 gainers.

Volume totalled 24.95 million shares compared with 27.74 million yesterday.

Brokers said further profit-taking on strong recent gains was brought on in part by the report late on Tuesday of another week rise in industrial output last month.

The report contrasted with earlier news of a strong showing in last month's retail sales.

Also in the day's economic news: October United States housing starts were strong, and personal income in October showed the biggest rise in seven months.

However, analysts said investors were preoccupied with nailing down their earlier gain.—AP-Dow Jones.

Gold losses heavily

New York, Nov 16.—The Commodity Exchange said it received the bid for gold contracts yesterday when the price fell to 116.00.

The bid was for 100,000 ounces of gold, the first since the previous high bid of 116.50 on October 19.

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Commodities

COPPER was very steady, 110.00-110.50.

WHEAT was steady, 11.00-11.50.

SOYBEANS were steady, 11.00-11.50.

CORN was steady, 11.00-11.50.

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SOYBEANS were steady, 11.00-11.50.

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CORN was steady, 11.00-11.50.

Foreign Exchange

With the important West German market closed for a public holiday, currency trading was rather slow yesterday.

The Bank of Japan kept its firm grip on the yen, to stop it rising above 245 to the dollar.

Small mixed movements were the pattern in most currencies, including London, where the pound ended 15 pence better at 1.8175 to the dollar after an extreme of 1.8160-1.8185.

The exchange rate stayed at 63.7 for the third day running.

Slightly easier at the outset, behind a warning from an American government official that the United States trade deficit will remain for quite a while yet, the dollar fluctuated narrowly thereafter to end with no decided trend.

D-marks fell slightly to DM2.2465.

Gold fell sharply amid heavy selling, losing \$2.25 an ounce to close at \$159.125 an ounce.

Spot Position of Sterling

Bank of England: 100,000,000

Overseas: 100,000,000

Forward Levels

1 month: 1.8175

3 months: 1.8175

6 months: 1.8175

12 months: 1.8175

Gold

100,000,000

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Recent Issues

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AM. INDEXES, SPECIAL LOW R.P.
Terms: Normans, 64 Wandsworth
Rd., S.W.8. 01-622 0042. (continued on page 27)

Motoring

Peugeot 305: a faultless first impression

First impressions can be misleading and longer acquaintance might reveal defects not immediately apparent, but on the evidence so far the Peugeot 305, which is officially launched today, is the best new car I have driven this year.

I judge this assessment not so much on single outstanding features as on a very high overall standard. It was a great pleasure to get into a car and find it doing all the important things we want: quiet-running, superb ride, lively performance, smooth gear change, light clutch. In a word, a car of quality.

The 305 can be seen as a belated successor to the 404 and it fills the gap in the Peugeot range between the 304 and the 504. The 304 will continue to be made for some time, though the naming of the new car suggests that it will be the eventual successor. With an overall length of just under 14ft, the 305 is similar in size and is an obvious competitor to cars like the Ford Cortina and the Chrysler Alpine.

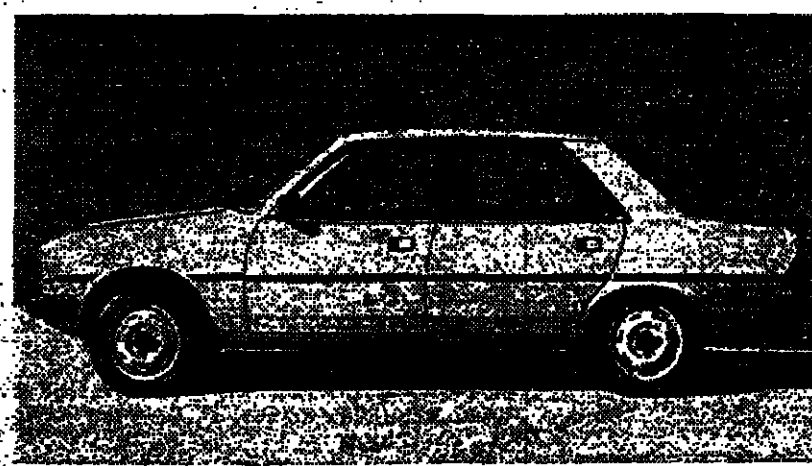
Unlike the Alpine, it is not a hatchback with a rear door but an orthodox saloon. In choosing this type of bodyshell, Peugeot may be defying the current trend, but it argues that the hatchback concept is better suited to smaller cars where space is of the essence. An estate version of the 305 will probably be introduced later.

The saloon, meanwhile, helped by a transverse-engine front-wheel-drive layout, has a generous amount of space inside and will take up to three adults in the back seat. The boot is shallow and has a high lip but it goes back a long way and is claimed to be a lot bigger than the Alpine's, though slightly smaller than the Cortina's. The spare wheel is sensibly stored underneath.

The car's angular styling, as the photograph shows, bears more than a casual resemblance to that of the big Peugeot 604, and also to the new BMW ranges. One advantage of the "three-box" body over the superficially more striking wedge shape is that all four corners can be seen from the driving seat, an advantage when parking.

There is a choice of 1,290cc and 1,472cc aluminium engines, developed from the unit used in the 304 models. Like other French engines, including the Alpine's, they are better than their capacity would suggest and the 1,290, in particular, struck me as quick and flexible for its size. Quiet, too, apart from a buzz at about 70 mph which disappeared at the higher speeds permitted on French roads. There is hardly any wind noise.

A refined and nippy car, then, and no less important, a delight to drive. Light and positive rack-and-pinion steering; crisp brakes needing only the gentlest of pressure; a gearshift that can be operated with the little finger and a light clutch; very basic and obvious features, but how few cars have them all! The gearbox seems finally to nail the argument that a smooth



The Peugeot 305—an outstanding new French saloon

gearchange is incompatible with front-wheel drive.

The ride, as might be expected from Peugeot, is outstanding. The all-independent suspension soaks up the bumps, is nicely damped and gives off very little road noise. Comfort is enhanced by the well-shaped and generally upholstered seats. Nor, in contrast to some French cars, does soft springing mean a lot of body roll on corners.

Fuel consumption, according to French Government tests, is considerably better than that of either the Alpine or Cortina and the figures suggest that the average driver should get between 35 and 40 miles to the gallon. Interestingly the 1500 is more economical than the 1300.

Emphasising again that these are first impressions, which may have to be modified, I found the 305 difficult to fault. It will be introduced in Britain in the late spring and is likely to cost between £3,000 and £4,500, depending on motor at current prices. This seems a little expensive but if the car turns out to be as good as I think it there should be no shortage of buyers.

Ford cars have come a long way since the Zephyr/Zodiac range was affectionately known as the Dagenham dustbin. While, not so long ago, it would have been absurd to speak of the large Ford in the same breath as, say, a Rover or Audi, the new Granada is well into that part of the market. If it does not possess the styling flair of the Rover, it is a thoroughly efficient car and towards the top of the range, a very refined one.

The new Granada—west German import, by the way—differs from the old mainly in its bodyshell and range of engines. The square styling is not dissimilar from that of the Mark IV Cortina and apart from their size the cars could almost be twins. As for engines, the two-litre unit remains but the others are now German V6s in 2.3 and 2.8 litre forms, the latter available with fuel injection, with a diesel to follow.

Road test: 2.8 Ghia

I drove the car in one of its more luxurious versions, the 2.8 Ghia, which has a long list of standard items including power steering, automatic transmission, electric windows, central locking, radio and automatic aerial and rear fog lamp. At £5,747 it costs, roughly the same as the Rover 3500, which may be a little presumptuous though not all that much.

The first thing that impressed me was the light and quiet ride. Even under hard acceleration it sounded barely strained and I suspect that it will give relaxed motoring cruising at considerably higher speeds than we

are allowed in Britain. The maximum is around 110 mph. Perhaps because the engine was so well muffled, I was rather aware of wind noise.

Acceleration to 50 mph takes about ten seconds, almost the same as on the automatic Rover 3500, and the kick-down allows plenty of power for overtaking. It is a very good automatic transmission, with well spaced ratios and almost unobtrusive gear changes. My fuel consumption came at 20 to 23 miles to the gallon, about average for the size of car.

The Granada is safe and pleasant to drive. The cornering is excellent, at least, light, accurate and yet retaining enough feel to tell the driver what he is doing. The car corners more easily than the previous model and holds the road well, though it can be slightly thrown off line by bumpy surfaces. The brakes give a prompt response and require only moderate pedal pressure.

One of the main defects of the original Granada (and of other Ford models) was its bumpy ride. Perhaps because the 2.8 Ghia is fitted with gas-filled dampers at the back, I was aware of less harshness and there was no so much tendency to wallow on undulating roads. All the same, the side still falls short of the best French cars.

As is only to be expected from a vehicle more than 15ft long, there is plenty of room inside for up to five people (though the back seats are designed as individual units). I thought the driving seat lacked support at the back. A large glass area means good visibility and the instruments and controls are models, respectively, of clarity and convenience. It is an attractive-looking car inside, with velour trim and wood fascia and door cappings.

Clubman extra

A modest advance in its five-year-old campaign to convince motorists that they can do without the sports wheel is announced this week by Daimler. The Denovo tyre, already available on several Leyland and Fiat cars, is to become an optional extra for the Mini Clubman range.

The Denovo is both a fail-safe and a run-flat tyre in that a blow-out at speed will not only leave the driver in control of his car but enable him to drive on for up to 100 miles at 50 mph. So there is no need to change the tyre by the roadside and no need to carry a spare, which can release useful boot space.

But Denovo is expensive, costing £40 more than a set of conventional tyres and wheels on a Mini and £95 extra on the Rover and Princess ranges. If more motorists—or manufacturers—took it up it would become cheaper.

Peter Waymark

Broadcasting

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CAR BUYER'S GUIDE

ROLLS-ROYCE & BENTLEY

Mann Egerton Rolls-Royce DISTRIBUTORS

A MEMBER OF THE INCHCAPE GROUP OF COMPANIES

1978 (August) Rolls-Royce Corniche Convertible. Finished in Holotrope with mauve upholstery. 26,000 miles	£28,950
1978 (March) Rolls-Royce Silver Shadow four door Saloon. Finished in Seychelles blue over silver mink with dark blue upholstery. 35,000 miles	£17,450
1974 (November) Rolls-Royce Corniche Saloon. Finished in Le Mans blue with light blue upholstery. 32,000 miles	£22,950
1973 (September) Rolls-Royce Silver Shadow four door Saloon. Finished in silver mink with dark blue upholstery. 44,000 miles	£13,250
1972 (June) Rolls-Royce Silver Shadow four door Saloon. Finished in Regal red with beige upholstery. 45,000 miles	£11,850
1964 (June) Rolls-Royce Silver Cloud III four door Saloon by H. J. Mulliner/Part Ward. Finished in Regal red with magnolia upholstery. 26,000 miles	£28,950
1957 (June) Rolls-Royce Phantom III Sports Limousine by Hooper with special continental styling. Finished in brown with beige upholstery. Price on application	

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1977 Rolls-Royce Phantom V, 6.2 litre, registration. Delivery mileage. 11,000 miles. 65,000 or 100,000 miles. £17,500 monthly	
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1977 Rolls-Royce Silver Shadow Mark II. Finished in silver. 11,000 miles. 65,000 or 100,000 miles. £17,500 monthly	
1976 R. Rolls-Royce Silver Shadow. Finished in larch. 11,000 miles. 65,000 or 100,000 miles. £17,500 monthly	
1976 Rolls-Royce Silver Shadow. Finished in silver and over. 11,000 miles. 65,000 or 100,000 miles. £17,500 monthly	
1974 R. Rolls-Royce Silver Shadow. Finished in 1000 mink. 11,000 miles. 65,000 or 100,000 miles. £17,500 monthly	
1977 S. Mercedes 450 SL Sports. Finished in mink. 11,000 miles. 65,000 or 100,000 miles. £17,500 monthly	
1977 Mercedes 350 S. Sports. Anti. metallic. 11,000 miles. 65,000 or 100,000 miles. £17,500 monthly	
1977 Mercedes 350 SL. Finished in jet green metallic. 11,000 miles. 65,000 or 100,000 miles. £17,500 monthly	
1973 Mercedes 350 SL. Finished in burgundy. 11,000 miles. 65,000 or 100,000 miles. £17,500 monthly	
1977 Daimler Spotsville 4.5 Camper. 11,000 miles. 65,000 or 100,000 miles. £17,500 monthly	
1977 Daimler Spotsville 4.5 Camper. 11,000 miles. 65,000 or 100,000 miles. £17,500 monthly	
1977 Porsche Turbo Flat Head Sports. Metallic red with tan leather upholstery. 11,000 miles. 65,000 or 100,000 miles. £17,500 monthly	
A new unregistered Porsche Carrera. Sport 3 litre hard coupe. 11,000 miles. 65,000 or 100,000 miles. £17,500 monthly	
1977 Jaguar XJ12. Injection saloon finished in regal with leather upholstery. 11,000 miles. 65,000 or 100,000 miles. £17,500 monthly	

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YEMEN ARAB REPUBLIC

a Special Report

Behind the assassinations

Great mystery still surrounds the triple killing by gunmen last month of the Yemen Arab Republic head of state, President Ibrahim al-Hamdi, his brother, Colonel Abdullah al-Hamdi, and his brother-in-law, Colonel Ali Kamran.

In the absence of any arrests or hard facts, conflicting versions of what happened at Colonel Abdullah's house on the afternoon of October 11 continue to circulate in Sana'a and other Arab capitals, together with theories and suspicions as to whose finger was really on the trigger.

The disclosure, to emerge later, that two French girls also died in the hail of bullets has given rumour-mongers something of a field-day, particularly as the late head of state had hitherto been considered to live an impeccable private life.

There is speculation over whether the dead girls were unwittingly perhaps, part of the assassins' plot or just hapless victims caught in the cross-fire. Had they not been foreigners their involvement need never have come to light. On the other hand, it might be argued, foreign girls may have been deliberately chosen to ensure that their involvement did become known.

Although an official commission has been appointed to look into the assassination, most observers believe that few outside the immediate circle of the new Head of State, Lieutenant-Colonel Ahmed Ghashmi, and the Command Council will ever know the real story, and perhaps not even then. The murder of a former Prime Minister, Qadi al-Hajari, outside a London hotel earlier this year has never been satisfactorily explained.

When news of the murders first broke, it was assumed by those familiar with the Yemen Arab Republic's tribally oriented politics that the northern shaikhs were responsible. They have long been at loggerheads with Al-Hamdi's Government whose strike aircraft had more than once in recent months made punitive raids into their territory.

A month later, however, the solution appears less straightforward, and in Sana'a and elsewhere other suspicions are being whispered. Many Yemenis suspect Saudi Arabia of having some hand in it, although they have long tended to blame their rich northern neighbour and benefactor for all their ills. However, the Saudis were so worried by these rumours that they took the highly unusual step of issuing a formal disclaimer.

Setting aside the question of who was responsible for the murders, clearly the new, pro-Saudi leader is a more satisfactory candidate in the eyes of the policy-makers in Riyadh. For some time they had been unhappy about the independent line taken by President al-Hamdi, as his Government was so financially dependent on them.

The ultimate Saudi nightmare is probably the seizure of power in Sana'a by a Moscow or Peking-oriented junta which would unite with the Marxist regime in Aden and then together have designs on their rich northern neighbour. For a united Yemen would have a ready-made "Trojan horse" of about 1,250,000 able-bodied men inside Saudi Arabia, the total of their combined work-force in the country today.

Some observers see as significant the fact that Al-Hamdi was killed on the eve of his intended visit to Aden for the tenth anniversary celebrations of the People's Democratic Republic of Yemen.

Saudi Arabia, reasonably, has a close interest in who holds power in both Sana'a and in Aden, and in the stability of both countries. Most Western analysts see Al-Hamdi's death as a threat to the country's stability. Indeed, a few days after the assassination there was an attempt on the life of the new President, and an army officer was executed.

Reports — unconfirmed — circulating in Sana'a say that after Al-Hamdi's murder the garrison at Dhahran, loyal to the president's brother, were agitating to march north, surround the capital and wait there until the murderer or murderers were produced.

Al-Hamdi, at 35 one of the youngest statesmen in the Arab world and a forceful and determined personality, had managed to bring some kind of stability, if not actual unity, to his country after the prolonged and bitter civil war. He was liked personally and respected by the great majority of Yemenis, except in the north, where the deposed imams had their greatest following.

Although he has yet to be tested, the new Head of State is seen by most analysts as a less outstanding figure, but only time will tell whether they are right. He has, however, made it clear that his Government will continue to pursue the policy of his predecessor, and most Western observers in Sana'a accept this.

P. H.

Country stakes all on great leap forward

by Peter Hopkirk

In Sana'a, dusty capital of the Yemen Arab Republic, tough-looking tribesmen with curved jambias in their belts casually flick back their sleeves to consult digital watches. Their womenfolk, still heavily veiled and illiterate, wear expensive French perfumes and lingerie. Small boys clutch fistfuls of money play around the execution block in Liberation Square, while their teenage brothers tear through the narrow streets on Japanese motor cycles.

In the mountains donkeys stagger towards remote villages laden with gleaming new freezers, washing machines and small generators, while in the towns grizzled merchants empty suitcases of notes on to bank counters. New Mercedes taxis creep through the suks of the ancient capital, while MiG fighters flash back and forth across the rooftops, young Yemeni pilots at the controls.

The Yemenis, among the last people on earth to emerge from the Middle Ages, have taken to the twentieth century with considerable relish.

In an oil-rich Gulf state none of this would be remarkable. But the Yemen Arab Republic — or North Yemen as it is commonly known — has no oil. It has few other natural resources, dwindling exports, a huge and growing trade deficit, and is officially one of the poorest nations in the world.

Where then does all the money come from? The secret lies in the vast sums sent home each year by the one million or more Yemenis who work in neighbouring Saudi Arabia and the Gulf states. These remittances have now reached a huge annual total of \$1,000m or more. The earnings of one emigrant worker, it is said, can support a small village back at home. Moreover, the extended family system of North Yemen ensures that almost everyone has a stake in the Arabian oil boom.

But apart from raising the morale of a long-improvised population of nearly seven million and giving the country a veneer of prosperity, the remittances at present make little contribution to the strenuous efforts

of the Government to develop a land still economically and socially primitive. Worse, they are the prime cause of North Yemen's alarming rate of inflation, said (there are no official figures) to be approaching 100 per cent in some sectors of the economy.

As a result — for much of the remittances goes into buying houses — building land in certain parts of the capital costs as much as a square foot as in Manhattan, while a car can cost anything up to £100 a day to hire. One expatriate family of two adults and two children told me that their monthly food bill came to about £300.

Meanwhile, the Government is faced with the overwhelming task of equipping the country for its role in the twentieth century. To achieve this it is staking all on the current five-year plan, in its sixth month, which aims to spend £2,000m on economic and social development.

This Yemen Arab Republic hopes that some 85 per cent of this will be met by soft loans, mostly from other Arab countries, with the remaining 15 per cent coming from the country's own public and private sectors. To stimulate interest in both the plan and the country, the Government has invited 200 delegates, from 21 Arab and 18 other countries, to a four-day conference in Sana'a from November 28 to December 1.

This Arabia Felix of ancient times is peculiarly well placed for attracting foreign aid, qualifying on four counts. As an officially poor country on the United Nations list it qualifies for funds from international bodies like the World Bank. As an Arab country it receives "fraternal" aid from its oil-rich neighbours, and from purely Arab agencies like the Kuwait Fund.

Furthermore, because of its strategic position in the Red Sea jigsaw puzzle, it does not go short of politically motivated finance, particularly from Saudi Arabia but also from such diverse sources as China, the Soviet Union and the United States. Finally, it receives help from countries like Britain with no particular motive for courting it — except perhaps as an eventual market.

By far the most generous benefactor is Saudi Arabia, ever watchful of political

nuances both in North Yemen and also in the Marxist-run People's Democratic Republic further south.

North Yemenis, recent deeply any suggestion that they are a client state of their wealthy northern neighbour, a natural reaction to a fiercely independent people who over the centuries have seen numerous would-be colonizers off the peninsula, culminating with the evacuation of President Nasser's expeditionary force in 1967.

"The Saudis need the Yemenis — both their good will and their manpower — every bit as much as the Yemenis need Saudi aid and work opportunities", as one Western diplomat in Sana'a put it.

On the domestic scene, after inflation the most serious problem facing the Government is the accelerating deterioration in agriculture. Until the outbreak of civil war in 1962, the country was self-sufficient in food production. Today some 40 per cent of food-stuffs have to be imported; and this in a land where some 80 per cent of the population is engaged in agriculture.

Apart from the devastation caused by the war, particularly in the northern part of the country, three factors are mainly responsible for this decline. These are: the war predicament, 10 years of drought and remittances.

Production of the country's traditional export crop of coffee is gradually giving way to the more easily grown cash crop of qat, a mildly narcotic shrub whose leaves Yemenis have long been addicted to chewing.

It fetches a high price locally — as much as £10 for one man's daily supply — so farmers growing it can afford to buy their family's food requirements without the sweat of having to produce their own. Because of the country's rugged terrain, which requires intensive terracing, farming has always been back-breaking work. It became increasingly unrewarding during the prolonged period of drought between 1963 and 1973.

This drove many more male Yemenis to emigrate to Saudi Arabia and the Gulf

continued on next page

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Labour shortage threatens development plan

by Atef Sultan

A four-day international conference will open at Sana'a's Republican Palace on November 28, to study North Yemen's economic and social development over the next five years. About 200 delegates from 21 Arab states, 18 American, European and Asian nations as well as from Arab and other development funds, United Nations agencies and other international organizations and universities, will be presented with a seven-volume document of more than 1,000 pages containing the blueprints of the country's five-year development plan to June, 1982.

After a general session, the conference will be divided into several technical and social committees to discuss North Yemen's development requirements in various sectors. The meetings are not likely to suggest new projects, but will try to raise \$440m to help to finance the plan's foreign currency

requirements.

The plan, which follows a \$205m three-year development programme, was launched in June and proposes an investment expenditure of 16,500m rials (\$3,630m) by June 1982. It aims at increasing North Yemen's gross domestic product by at least 8.2 per cent a year compared with 7 per cent in the past three years, which is to be raised, it is hoped, to 9 per cent a year under a second similar programme.

The plan's targets are numerous: to establish economic independence and better living conditions; to create basic services almost from scratch; to increase sources of foreign exchange to end the massive budget and trade deficits; to achieve self-sufficiency in food; to ease the acute shortage of labour and to establish industry in short, to build a modern state.

High priority will be given to transport and communications which will be

allocated 4,600m rials (\$1,011m) taking alone nearly 28 per cent of total investment expenditure. Output in these services is expected to grow by 11.3 per cent a year against only 8 per cent in the past three years.

Roads, accounting for the largest share, will be increased to 3,400 km, of which 172 km are now being built. About 46,000 telephone lines will be introduced in Sana'a, Taiz, Hodeida and other big towns. The port of Hodeida, now one of the world's most congested, will have deep-sea berths and lifting and storage capacity will be increased considerably.

The Sana'a and Hodeida airports will be rebuilt and more satellite telecommunications networks installed.

Next to transport and communications comes industry and mining. About 4,300m rials (\$945m) will be spent on metallic and industrial mineral prospecting, quarrying and on manufacturing industries including textiles,

cement and other building materials. Electricity and water developments will get 2,000m rials (\$440m). Drilling water supplies, which have been a major investment area in recent years, will be increased steeply, especially in Sana'a and Hodeida. Electric power is to be raised by 240 per cent by 1982.

Housing, of which there is a dire shortage, gets a remarkable 2,000m rials (\$440m). Housing, somewhat curiously however, will advance by only 3.6 per cent a year, not far off from the 3.4 per cent increase of 1973-76. This is partly because of the sharp rise in domestic construction costs which is expected to continue over the next few years.

Other development sectors, including trade, banking and finance, education, health and other social services and developments still to be decided will have the remaining 3,000m rials (\$658m), about 18 per cent

of total allocation.

Unlike its predecessor, the new plan allows a much wider scope for private and mixed sector investments, both domestic and foreign. The private sector is expected to contribute 27.8 per cent, the mixed sector, new to North Yemen, 14.5 per cent, the cooperative sector 6.7 per cent, while the biggest share, 49 per cent, will come from about 170 proposed public sector projects.

Like most other non-oil exporting countries in the Arab world, the plan envisages heavy dependence on foreign finance, although this is likely to be less so compared with other states such as Sudan, Syria or Egypt. About a third of the investments are to be financed from external sources, mostly from rich Arab states and the World Bank.

Of the 5,500m to 5,800m rials (\$1,209m to \$1,275m) to come from abroad, 4,200m rials (\$923m) are said to have already been com-

mitted by Arab states and other sources. The remaining 1,300m rials (286m-\$374m) are still to be raised.

Domestic funds, both public and private, are to meet the remaining two thirds amounting to 10,700m rials (\$2,350m, \$2,418m). The largest share, more than 65 per cent, will, however, be contributed by private investors. Direct government finance is put at only 2,400m rials (527m-\$593m) and another 900m rials (\$198m) will come from cooperative institutions.

Private funds are expected to invest 4,600m rials (\$1,011m) in projects undertaken entirely by private firms and to contribute 2,000m rials (\$440m) to joint ventures with the Government. Public sector finance will come from direct government loans (21 per cent to 25 per cent); foreign loans already committed to specific projects (37.5 per cent); foreign

grants also going to specific projects (15 per cent) and the rest (16.3 per cent to 20 per cent) is still to come from external "soft" loans and grants.

The plan expects that imports will increase by 28.3 per cent a year from 1,721m rials (\$378m) in 1977-78 to 5,976m rials (\$1,313m) in 1981-82. Exports will, however, increase modestly, from 55m rials (\$12m) to only 98m rials (\$21.5m) in the same period leaving a deficit of 16,000m rials (\$3,630m) which amounts exactly to the plan's total investment figure.

Much of the success of such ambitious targets will depend on North Yemen's ability to develop its basic services, administrative resources and on how far the country's capacity to attract foreign credit will continue. The Central Planning Authority said last month that credits worth \$330m had already been agreed with the World Bank, Saudi Arabia, Kuwait, Iraq and

other friendly states. These will finance seven big projects included in the plan and consist of a 5100m electric power station, two cement works costing \$20m and a \$30m airport at Hodeida.

About \$65m of these credits will be spent on developing Hodeida port and another \$30m will go towards building the new Sana'a airport. The remaining \$85m will go to telecommunications and to improve Sana'a's existing airport and Mocha port.

Another \$441m was said to have been agreed with Kuwait in May 1977. The money will be invested in joint-venture development projects proposed by both public and private sectors. These include the Sana'a Hilton Hotel, a textile mill in Dhamar and building industry schemes including a 300,000-ton-a-year cement plant.

The biggest obstacle to the success of the plan is, however, the acute shortage of Yemen's workers. Capital

intensive projects will be favoured but the workforce will still have to be increased by an estimated 101,000 from the 1,166,000 already employed.

This may prove difficult, however, because large numbers of scarce technical and managerial staff as well as unskilled labourers are finding more lucrative opportunities in the oil-producing Gulf states, particularly Saudi Arabia which has already attracted about one million North Yemenis.

It is clear that progress will be seriously hampered unless greater emphasis is placed on education and vocational training as well as on measures to attract Yemenis working abroad. It is the improvement of both the quality and quantity of domestic manpower which will virtually determine North Yemen's overall economic and social progress.

The author is on the staff of the Middle East Economic Digest.

No nationalization without compensation

by Marcel Berlins

The Yemen Arab Republic has not yet benefited from any substantial wave of foreign investment, and its legal machinery governing such investment has therefore not yet been tested. It is too soon to be able to assess whether practical difficulties are likely to be encountered which mere study of the law might not reveal.

The law, number 18 of 1975, guarantees freedom of investment for individuals and companies, Yemeni or foreign, in economic projects which contribute to the development of the national economy. Foreign capital is to be accorded equality of treatment with national capital.

Once an investment project is approved and registered with the Government, "it is not permissible to nationalize or confiscate" it. If, however, "for some unavoidable reason relating to the public interest, the Gov-

ernment finds it necessary to confiscate or nationalize the project, it shall first pay compensation to the owners and give permission for the transfer of such compensation abroad" provided the capital funds of the project were of foreign origin.

The state guarantees the transfer abroad of net profits which have accrued from the investment of foreign capital (after specified charges, taxes and other financial liabilities have been paid), and, in the event of the liquidation of a project, non-resident owners of foreign capital in that project can have their shares re-transferred abroad. If the amount involved is substantial enough to threaten North Yemen's monetary position, the Government can insist on its being taken out in up to three annual instalments.

Administrative assistance to foreign investors includes the guarantees of visas and residence permits to foreign administrative and technical workers.

Law 18 lays down the criteria that must be met for investment projects to benefit from various exemptions, concessions and facilities. A project must, generally, contribute to the promotion of the Yemeni economy and general revenue, and to the increase of production of commodities and services, so that exports are increased and imports decreased, thus saving foreign currency.

The project must use modern scientific machinery and methods. It must employ the largest possible number of Yemeni administrative and technical workers and arrange to train them so that they can eventually replace foreign workers.

Minimum financial requirements are laid down for various classes of project. For an industrial foreign capital project (one in which the foreign capital share exceeds 90 per cent) the cost of machinery and instruments necessary for

production must not be less than \$250,000. For an agricultural project that figure is \$1m, while the capital cost employed (excluding cost of land) in a tourism project must be at least \$5m. These amounts are halved where the project is a mixed one—that is one in which the foreign capital percentage is between 10 and 90 per cent.

All approved investment projects are exempt from commercial, industrial and business tax and the like for five years from the date of production.

Industrial projects may be exempted from export charges and taxes on production. The discretion to grant such exemption lies with the Committee of Investment Exemptions, a permanent body chaired by the Minister of the Economy and set up under the law.

Investors in tourism projects are entitled to exemption from "all customs duties, taxes and import duties of whatsoever kind"

for five years (extendable for a further three) from the date the project is approved.

The Committee of Investment Exemptions can also agree to a reduction of customs duties, taxes and import duties on raw and primary products to be used in production up to 25 per cent of their CIF value at the port of arrival.

Law 18 lists the obligations placed on project owners. They include having to submit six-monthly progress reports and allowing authorized officials of the Ministry of the Interior the right to enter project sites or offices and make what inspections they think fit.

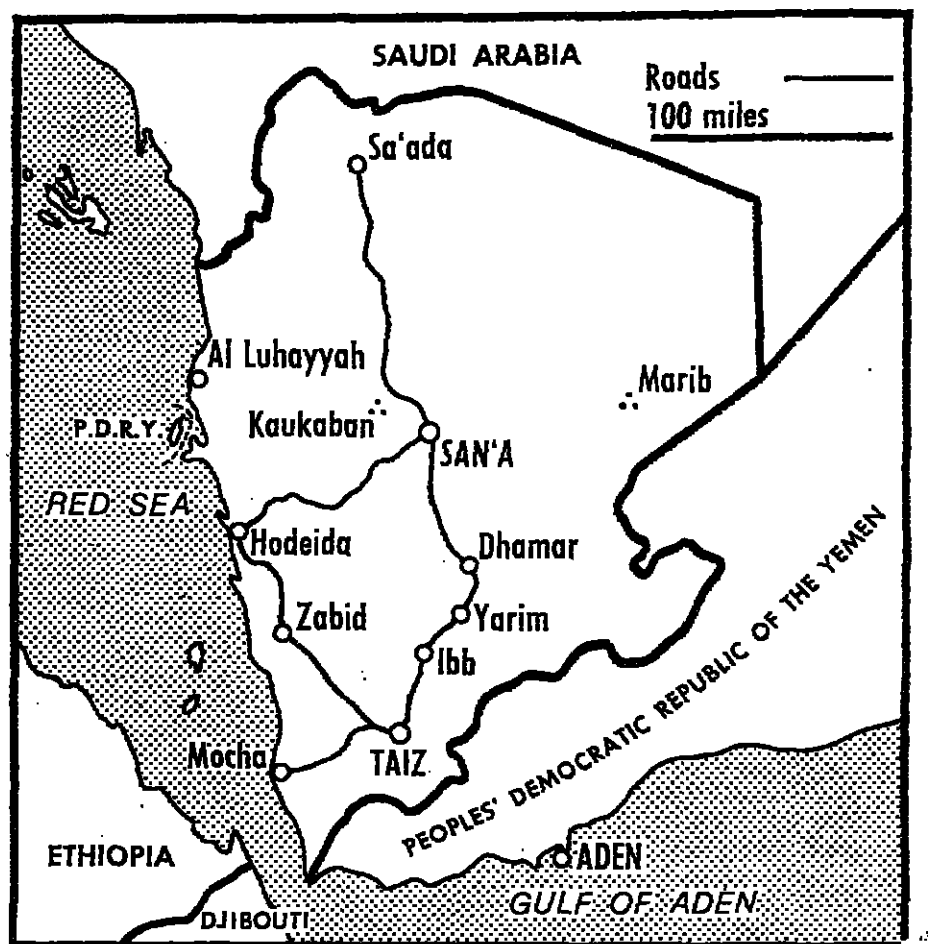
The investor is also put on his guard against using any machinery or equipment which is the subject of exemptions for any other purposes than those specifically allowed. Any violation is deemed to be an offence punishable by imprisonment of between one and six months as well as a heavy fine.

Similar penalties are provided for furnishing false information about a project. There is also an obligation for a producer to sell his product in the national market for local consumption, if a minister requires him to do so. Failure to meet the conditions and prices insisted on by the minister can also result in imprisonment or a fine.

A foreign investor is, however, entitled to dispose of his share of the production abroad—in proportion to his capital participation—but only if forcing him to do so in the local market would be unfair and result in insufficient profits.

For foreigners contemplating something short of substantial capital investment Decree 6 of 1976 deals in detail with the selling up and regulation agencies and branches of foreign companies and commercial firms.

The author is Legal Correspondent, The Times.



Great leap forward

continued from previous page

states in order to keep their families from going hungry. Their remittances injected unimagined wealth into the village economy, acting as a further disincentive to working the land and maintaining the terraces.

As a result even eggs, chicken and other basic foodstuffs have to be imported from East Africa and else-

where. Instant coffee, ironically enough, is also imported by North Yemen, the original "home" of coffee.

Add to this the Yemenis' seemingly insatiable appetite for all consumer goods and their \$1,000m a year in remittances and you have one of the fastest-growing markets anywhere. With its far bigger population, North Yemen is potentially a bigger market than any of the

much richer but thinly populated Arab oil states.

The resulting inflationary spiral of deep concern to the Government which is urgently seeking ways of controlling it. Businessmen report a considerable inflation since the additional tightening up in the issuing of import licences.

In the past, moreover, there have been glaring instances of importers ordering goods on a scale that the

market could never absorb.

Although the appalling congestion at Hodeida, where vessels can wait anything up to 180 days to unload, acts as a brake on the flow of goods, it also helps to fuel inflation since the additional overheads are passed on to the customer.

One way that the Government is trying to curb inflation is by encouraging villagers to apply some of their

remittances to project direct communal benefit.

The Government is also seeking to stabilize the price of essentials, especially foodstuffs, by selling these at their own employees at no profit. It is too early to say how effective this is proving, but it is hoped that merchants in the private sector will be forced to lower their profit margins.

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BALANCE SHEET AS AT 31st DECEMBER 1976

ASSETS		1976 Rials	1975 Rials	LIABILITIES		1976 Rials	1975 Rials
Cash and deposits with correspondents		667,727,772	252,714,223	Current and fixed deposits		843,161,888	325,392,656
Loans, Advances and other debit accounts		568,481,210	277,792,443	Other accounts		107,867,740	106,542,002
Investments		12,425,293	10,627,493	Provisions		53,615,000	39,676,377
Fixed assets less depreciation as per details attached		16,113,233	17,094,242	Margin Deposits		188,674,171	45,240,006
		1,264,747,508	558,228,401	Authorised capital of 1 million shares (10 Rials per share-paid up in full)		10,000,000	10,000,000
				Reserves		29,348,630	20,575,917
				Balance of profit and loss		35,088,079	10,801,443
						1,264,747,508	558,228,401

CONTRA ACCOUNTS

	1976 Rials	1975 Rials
Bills for collection, letters of credit and Letters of guarantee	1,339,388,140	498,744,480
	2,604,135,648	1,056,972,881

BRANCHES HANDLING INTERNATIONAL TRANSACTIONS

Branch	Address	Cable	Telex
HOEDEDAH 2	Main Street, P.O. Box 3340, Hodeidah—Y. A. R.	YEMBANKONE/Hodeidah	515 YEMBANK YE
Sana'a Street	P.O. Box 3097, Hodeidah—Y. A. R.	YEMBANKTWO/Hodeidah	564 YEMBANK YE
TAIZ 2	Nasser Street, P.O. Box 4243, Taiz—Y. A. R.	YEMBANKONE/Taiz	507 YEMBANK YE
26 September Street	P.O. Box 5030, Taiz—Y. A. R.	YEMBANKTWO/Taiz	838
SANA'A 2	26 September Street, P.O. Box 5, Sana'a—Y. A. R.	YEMBANKONE/Sana'a	310 328 YEMBANK YE
Abdulmoghani Street	Sana'a—Y. A. R.	YEMBANKTWO/Sana'a	888
EBB	Main Street, P.O. Box 2, Ebb—Y. A. R.	YEMBANKONE/EBB	

Fertile soil may lead to return of former prosperity

In sharp contrast to the rest of the Arabian Peninsula, nature has blessed North Yemen with good land and abundant rainfall. Covering an estimated 75,000 sq miles, the country is dominated by mountain slopes and high plateaux which contain some of the most fertile soil in the Arab world. Here also exist some of the world's finest terraced cultivation which earned the Yemen the title Arabia Felix in Roman times.

Like Egypt and Mesopotamia, the fertility and good climate of Yemen made it the birthplace of several ancient civilizations of great prosperity. Agriculture has always been extensively practised. The ancestors of today's North Yemenis built probably the world's first dam at Marib, believed to be the capital of the famous Queen of Sheba, more than 3,000 years ago.

Today, agriculture still dominates North Yemen's economy. It provides the livelihood for more than 90 per cent of an estimated population of between 6,471,900 and 6,935,000 and employs more than 75 per cent of the workforce. Accounting for nearly 90 per cent of visible exports, agriculture contributes about 75 per cent of the country's gross domestic product.

About 30 per cent of North Yemen's land is believed to be cultivable. However, only about 7 per cent is actually cultivated with little or no help from modern technology. Most farms, producing staple food crops such as wheat, millet, maize and barley, are small, and agricultural institutions favour subsistence farming, with only about 10 per cent of the cultivated area used for cash crops, mostly cotton, coffee and gum.

In a normal year, about 90 per cent of the cultivated

land is rain-fed, and the rest irrigated from wells. In the agricultural heartland, rainfall reaches up to 35in a year in some areas. The dependence on rainfall means that production is prone to sharp fluctuations. Droughts can be severe, long and frequent.

The worst drought in recent years occurred between 1967 and 1970. Production was nearly halved and led to disastrous results for agriculture and the economy as a whole.

Again, a poor harvest in 1972-73 led to a sharp increase in food imports, which accounted for nearly 50 per cent of North Yemen's import bill in that season. However, in 1975 grain output increased by 40 per cent to a record level of more than two million tons. This was said to have brought self-sufficiency in most cereals for the first time in recent years. But with a rapid increase in its population and disposable income and with unpredictable weather, North Yemen could again find itself dependent on imported food.

Cotton, which now accounts for just over 1 per cent of cultivated land, is gradually becoming an important export crop. Of fine and long-staple quality cotton is by far the biggest export. Sales increased from 18,500 tons in 1972-73 to 28,300 tons in 1974-75, bringing in an income of 28,200,000 rials which accounted for 53 per cent of all exports.

But because of fluctuations in water supplies and sluggish world demand, cotton exports fell sharply from the record of 35.8m rials in 1974 to 26.7m in 1975 and to only 11.7m in 1976. However, world demand and prices have begun to pick up this year and cotton sales have already reached a record of 17.5m rials in the first quarter. The country is now planning to boost its textile production by 1981 to 22,400,000 metres. North Yemen's second biggest crop export is coffee. Despite its high qual-

Ambitious targets set for agriculture

Demand has been increasing rapidly over the past four years. Daily consumption of an average, grain-chewing Yemeni in Sana'a now costs 30 rials compared with 15 rials in January this year and only five rials in 1972. The price increase, which partly reflects the sharp rise in general inflation, has also been caused by the sudden big increase in money returned by Yemenis working in Saudi Arabia and other Gulf states.

The highland areas and the Tihama region also produce fruit and vegetables including citrus fruits, apricots, grapes, peaches, tomatoes, watermelon and potatoes which find a ready market in the country's largest towns, Sana'a, Taiz and Hodeida. Dates and tobacco are produced in Tihama and, together with cotton, these crops provide the basis for an agricultural industry in the plain.

Livestock, which is also prone to serious droughts, numbered 1,100,000 head of cattle, sheep, goats, camels and other animals in 1973. Hides and skins now provide a profitable export. These, amounting to nearly 7m rials, became the second biggest export in 1976, replacing coffee for the first time.

North Yemen's agricultural growth was at best stagnant up to 1973, when it began to increase at an average of 5 per cent a year as the result of an agricultural investment of 138m rials, about 15 per cent of total investment, under the country's 935m rials three-year plan.

The new 16,500m rials five-year plan to 1982, launched in June, has allocated 2,600m rials for agriculture development, which is expected to grow at 5.5 per cent a year.

Priority has been given to increasing irrigated land by 30 per cent over the next five years. The biggest project is a \$17.5m irrigation scheme to develop 60,000 hectares in the Tihama plain which will double cotton and vegetable output.

The scheme is financed by the World Bank's affiliate, the International Development Agency, the United States Agency for International Development and the Kuwait Fund for Arab Economic Development.

Other big projects include a poultry farm financed by rural development programme financed by USAID, a \$20m nine-year development programme, financed by IDA and the Abu Dhabi Fund for Arab Economic Development to help about

120,000 farmers in 1bb and Taiz.

Another scheme to develop 20,000 to 30,000 hectares of irrigated land in Wadi Sarad for cotton, grain and livestock fodder as well as for fruit and vegetables is being designed by the British civil engineering consultants, Sir William Halcrow & Partners, under a contract won in August 1976. The scheme, to develop both surface and underground water supplies, will be financed by Saudi Arabia and Abu Dhabi.

The IDA is also financing two other projects, one costing \$5m to develop livestock and the other a \$5.2m to build three grain storage silos at Hodeida, Sana'a and Taiz, part of a \$15m scheme designed by Oscar Faber & Partners of Britain.

To help farmers to modernize their methods by using tractors and machines, an Agricultural Credit Bank with a paid-up capital of 20m rials was set up in Sana'a late last year to provide "soft" loans to farmers.

North Yemen's planners estimate that by 1981, agricultural development will boost fertilizer consumption by 286 per cent; insecticides by 412 per cent and tractors by 216 per cent.

Among other crops to be increased substantially will be wheat, which should increase by 146 per cent by 1981, vegetables, by 373 per cent, and potatoes, by 373 per cent.

But the obstacles to the success of such ambitious schemes are great. Apart from droughts, the introduction of much of the programmes will depend on the ability of North Yemen's organizational and public services resources to cope and on the availability of skilled and unskilled workers in rural areas.

With its fertile soil, good climate and with the changing of its feudal system of land tenure, North Yemen's development efforts may recover its former agricultural prosperity.

Copper finds lift hopes for other minerals

to be so for several years.

Prospecting for oil in North Yemen began in 1923 and has been intense in the past four years. Unlike metallic and industrial minerals, however, no oil in commercial quantities has yet been found.

In September 1976 an announcement of the country's first offshore find was expected but no news emerged. In December rumours were again circulating in Sana'a that an offshore oil strike would be announced in January 1977, but the prospect of development based on oil has again receded.

The first well to be drilled in North Yemen, by Yemen Shell Exploration, a company registered in Hamburg, proved negative. Drilling was stopped last December because it could not go beyond a depth of 6,000 ft because of high temperatures.

Another West German company, Deutsche Shell, has also stopped its offshore drilling in the same month in its concession in the Red Sea.

Several other geological surveys were carried out in recent years by West German, British, Romanian, Chinese, and Soviet firms.

Preliminary exploration for metallic and industrial minerals has so far indicated the presence of various other deposits, including silver, gold, titanium, uranium, lead, zinc, mercury, sulphur and marble. Deposits of coal are also known to exist near Taiz.

Despite those reports little has been done to exploit those minerals, because of a lack of money to support such large investments and shortage of domestic technical and managerial skills. The development of those minerals for export would also require marketing skills, transport, and efficient ports which are inadequate and will continue

part of the North Yemen Arab Economic Development

ment provided \$400,000 help to finance the expansion of bulk-loading at the port of Salaf, originally developed to export salt, capacity was later increased to a million tons with second loan of \$1,200,000 from KFAED.

Until the summer of 1976 nearly all extracted salt was exported to Japan at the rate of about 80,000 tons a year, with a peak of 100,000 tons in 1966. Salt export ceased in 1972 because the sharp fall in world demand and because of Japanese ban on salt since after allegations that its use for industrial purposes caused pollution.

The ban by Japan led to dispute between the two countries and a partial ban on Japanese imports in North Yemen, worth \$10m and \$20m a year, was temporarily imposed in November 1975. Left with a million tons salt a year to sell, North Yemen has been trying to find other outlets, though hopes Japan will review its position.

The Salaf salt mines are expected to start production this year, after being closed for five years, after a survey by O. W. Roskill Industrial Consultants, London, commissioned March by the United Nations Development Programme for the Yemen Salt Mining Corporation.

Yemeni salt, expected to be marketed at competitive prices, will now go to other markets, including the Soviet Union and North Korea.

According to United Nations estimate, Salaf could fetch \$2.3m by 1980 compared with only \$400,000 in 1970. However, it is still uncertain whether North Yemen will be able to sell all its available output in view of strong competition from Mexico and the growing supplies of Western Australia.

All the pressure must now be on the Government to clear the port and increase berthing. In the meantime the Yemenis and the international agencies financing development will have to pay the price of having the world's second most congested port.

The author is on the staff of the Middle East Economic Digest.

Drilling stops despite foreign offers

Despite that, several foreign oil companies have offered to search for oil in North Yemen. Mr. Abdul Karim Iyami, Minister of Development, said earlier drilling had stopped. Earlier in the year, Mr. Hussein al-Amri, Deputy Minister for Foreign Affairs, said in London that there was no doubt that oil deposits existed in North Yemen.

Port congestion takes a heavy toll and delays projects

by John Whelan

North Yemen is paying a heavy price for having the world's second most congested port. The 160 days wait for conventional cargo ships off Hodeida is delaying contractors' mobilization on important projects. The congestion surcharges are also forcing up the cost of tenders, because construction materials have to be carried on expensive roll-on roll-off vessels.

The Yemeni Ports and Marine Affairs Corporation which runs Hodeida and the two other ports of Mocha

and Salaf is evaluating an offer by the British engineering consultants, Sir William Halcrow & Partners, to advise on developing the facilities of Mocha and Hodeida. Gray Mackenzie, part of the Inchcape Group, is reportedly interested in managing the port along the lines which have proved successful at Jiddah. Earlier interest in advising at Hodeida was expressed by the experienced British consultants, Rendel Palmer and Tritton.

Despite that interest and a \$6m World Bank loan in May to help finance a port development project, Hodeida is likely to remain congested for the foreseeable future. The port has 400 metres of quay and

three berths, one of six metres depth and two of 8.5 metres.

The controlling draught is that of the 23ft access channel, which in practice means no ships can dock which are larger than about 12,000 gross registered tons or 523ft long. According to Cunard Arabian Middle East Line (Camel) of Britain, some converted oil tankers are berthing carrying grain. Hodeida also has a dolphin berth with a submersible cable for unloading petroleum products.

The congestion is affecting conventional cargo. While Camel can berth its stern unloading container ships direct to the quay with a 24-hour turn around, the ordinary break bulk

cargo ship is facing up to six months delay. Only Lagos is worse. Congestion surcharges at Hodeida, if they could be considered relevant any more, are 75 per cent.

During the summer at Hodeida the congestion got so bad that unloading stopped for two weeks while cargo was cleared from the port by consignees. The port authority has the same trouble experienced in Dubai and Bahrain—consignees use the port as a free warehouse.

The attitude of the dock labour force is less of a drawback than the lack of skilled supervision and modern unloading gear. This in itself is encouraging ship-owners to bank on the eventual clearance of the port.

The question is how soon.

In the meantime exporters are devising a number of ingenious trans-shipment routes. Mocha, which is the port of the southern city of Taiz, has its supporters but the jetty is small, of uncertain dredged depth and most unloading is by barge. Salaf has one berth which was used for exporting salt. The Yemen Salt Mining Corporation hopes to start production late this year after a five-year closure, following the completion of a market survey by O. W. Roskill Industrial Consultants of Britain.

The latest port development plans, for which Halcrow is bidding, exclude Salaf and that is not a promising indicator. Some cargo is getting into the

country by trans-shipment to coasters at Aden. Many shippers are also enthusiastic about trans-shipping through Djibouti. The Ethiopian port of Assab is nearer geographically to Hodeida but it is under pressure because of Ethiopia's military situation. On October 17 a 30 per cent surcharge was introduced. At Aden there is apparently no political difficulty in trans-shipment to the north, though documentation has to be done with care.

Few freight forwarders mention land transport to North Yemen with any enthusiasm. Indeed some talk about insurers and bandits blocking the road in the north, and the road north of Sana'a is poor.

What the contractors must face is that container and roll-on roll-off services are the only answer for the time being. Even between Hodeida and Sana'a the road cannot carry containers larger than 20ft. Prices are high. Camel quotes to dock at Hodeida at \$3,300 for a 20ft container and is running in every 10 days.

Other services are offered out of Marseilles, and from Britain by Argyris Line of Greece. Camel is considering introducing through bills to Sana'a and Taiz from Britain for 20ft containers. The maximum delay on its 10 shipments since the service started has been one day of 24 hours largely because of documentation.

The congestion has spawned at least one unorthodox solution. A United States company was proposing to start unloading at Hodeida by air balloon on October 8. Lightspeed and Underworld of New York is in a joint venture with the Yemeni Marketing International Company (Yemico) whose partners are Moustafah Kassim and Mohammad Aamer. Its Skyhook System is said to be able to unload at the rate of 50 to 80 tons an hour, although that figure is greeted with some scepticism by a British company specializing in lighter than air technology, Aerospace Developments London.

The Skyhook will be established at the entrance to Hodeida port and customers will pay \$15 to \$20 a ton for cargo to be unloaded. The irony is that the start

has been delayed because of the port congestion.

Ballon unloading is unlikely to provide a long-term solution. Experiments with helicopters for unloading cement at Jiddah last year were discontinued because of the expense.

All the pressure must now be on the Government to clear the port and increase berthing. In the meantime the Yemenis and the international agencies financing development will have to pay the price of having the world's second most congested port.

The author is on the staff of the Middle East Economic Digest.

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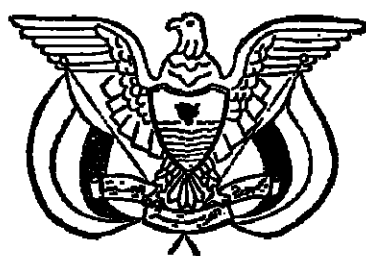
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OUTLOOK OF DEVELOPMENT IN

By Mohammed Salem Basindwa, Minister of Development and

The Yemen Arab Republic with less than 7 million inhabitants on an area of about 200 thousand m², belongs to the handful of least developed countries in the world. Several geographic and political factors, particularly the mountainous nature, the Imam-Regime before the revolution of the 26th of September, 1962, and the civil-war till the early seventies, imposed on the country a severe isolation from the rest of the world and an isolation of the areas from each other, within the country as well. In fact, the 13th of June, 1974, the date of the Correction Movement under the leadership of President Ibrahim Al-Hamdi, is to be considered a principal historic turning point in the life of the country. This date marked the line between isolation and open doors and between economic stagnation and the development dynamics.



H.E. Mr. Mohammed Salem Basindwa, Minister of Development and Chairman of the Central Planning Organisation.

When the country started to open its eyes on the modern culture, it found itself in confrontation with fundamental difficulties and bottlenecks. Notwithstanding the existence of the inherited traditional culture, which is based on wonderful terraces and water systems existing since thousands of years, and the multi-storey buildings standing on tops and summits, this culture was based on manual work and a primitive technology. All the fundamentals of the modern cultures, particularly the physical infrastructure and the qualified human resources, were almost non-existent. Agriculture depends on rainfall, the livestock is degenerated, industry is primitive and manual, and even the cities were in urgent need of clean drinking water, electricity and sewerage, whereas several diseases dominated the country heavily, like tuberculosis, malaria and berhazia, and the juridical and education system has not changed much since about 14 centuries.

Notwithstanding the important development during the last few years, the main bottleneck is still the infrastructure. Roads and ports are weak and unable to meet the needs of development, the skilled labour is rare and the migration of labourers is leading to a shortage even in unskilled labour. Particularly the institutions and leading personnel which should be responsible for planning and monitoring development and project implementation, are forming the main shortage.

One of the criteria of underdevelopment is the domination of agriculture in the economy, whereas it is characterized by poor technology and low productivity. Additionally the G.D.P. per capita is about \$113 (at constant prices of 1971/72, or \$237 at current prices). The final consumption is higher than the G.D.P., the G.D.P. per worker is about \$519, and a worker has—on average—to provide consumption for an addi-

tional three persons. The life expectancy at birth is less than 36 years for males and about 38 years for females. Infant mortality is estimated at 26% for males and 22% for females. There is on average one physician for every 41,000 of the population, one dentist for every 317,000 and one pharmacist for every 216,000. Per-capita electricity consumption is about the equivalent of 13kg of coal per annum.

Since the country moved towards open-doors policy and development within the system of free market economy, foreign loans and aids started to flow into the country and to contribute considerably to its development. They are estimated at about YR 515 Million in the last year, which is about 75% of the development expenditures of the government and the public and mixed sectors. Also the remittances from the Yemeni workers abroad provide the country with about 50 million \$ per month. Thus they are the main resource of foreign exchange and give the YR a strong position in the exchange market, but they are creating liquidity, which is making demand pressure on the market. The latter in its turn is not elastic, mainly due to the shortage of ports capacity and to the limited production capability. This is reflected in domestic inflation, added to the imported one. There is also the fact that this liquidity is in the hands of the citizens and that the government resources are insufficient for developing a strong public sector. This resulted in the policy of mobilization of the private resources—assisted and supported by the government—to create and enlarge the mixed sector, based on joint venture. This policy is supplemented by the support of joint venture with foreign capital, the idea of management agreements with foreign firms and by the adoption of the methods of fast implementation of the projects like the turn-key method, direct contract negotiations, the invitation of offers without detailed performance specifications, etc. To encourage foreign and national investments in the country, the government issued an investment law last year. This law gives guarantees against confiscation and nationalization and includes several incentives like tax exemptions, etc..

In June, 1977, the government announced the first Five-Year Development Plan for the fiscal years 1976/77-1980/81. This period should form a sort of first stage towards the self-reliance on the part of the country in financing development and in the implementation of the construction part of the investments. To the Plan's main general goals belong the establishing of an



The teaching of Koran in the main mosque, Sanaa.

Past and planned growth of G.D.P.

Sector	ANNUAL AVERAGE RATE OF GROWTH OF REAL GDP					
	GDP at Constant Prices of Base Year					
	66/70-75/76 actual %	72/73-75/76 actual %	76/77-80/81 planned %	Base year 75/76 Mill. YR	75/76 %	80/81 %
Agriculture	6.6	4.9	5.5	2305	44.5	39.2
Industry	11.8	8.6	11.7	302	5.8	6.8
Building & Construction ..	8.0	5.2	14.4	227	4.4	5.8
Transport & Communication ..	12.0	8.0	11.3	151	2.9	3.4
Trade	70.0	10.4	10.1	1220	23.6	25.7
Finance	29.9	35.4	9.5	141	2.7	2.9
Real Estate	3.2	3.0	3.6	199	3.8	3.1
Government Services	10.5	11.0	10.0	509	9.8	10.7
Other Services	7.1	7.1	7.5	127	2.5	2.4
TOTAL	7.7	7.0	8.2	5181	100	100

It is worth mentioning that the investment programme of the Government and existing public and mixed sectors include additional allocations consisting of about YR2.4 Billion and considered as incentive allocations for the projects. The sums shown in the above table are the real investments expected. Thus the investment programme will be about YR10.4 Billions.

On the other hand the investments consisting of YR 15971 Mill fixed capital formation and YR.579 Mill. increase in stock are planned as follows:—

Distribution of investments by sectors of economic activity and socio-economic sectors

Socio-economic Sectors/ Sectors of economic activity	Government & existing public & mixed Sector	Cooperative Sector	New mixed projects identified	Sector not identified projects	Private Sector identified projects	Private Sector not identified projects	Total Investments
Agriculture	1086	2	—	208	—	980	2276
Mining & Quarrying	79	—	—	75	—	20	179
Manufacturing	374	—	941	83	315	285	1998
Electrics & Water	1159	103	—	61	—	50	1373
Construction	33	43	50	200	—	125	451
Trade	130	7	11	89	—	391	628
Transport & Communication ..	3360	615	67	283	—	600	4925
Finance	25	—	55	—	—	13	93
Real Estate	150	—	220	—	—	1720	2090
Government Services	1610	—	—	—	—	—	1610
Other Services	—	331	—	—	—	22	353
Subtotal Fixed Capital Formation	8006	1104	1344	999	315	4206	15971
Increase in Stock	129	25	80	70	15	260	579
Total Investments	8135	1126	1424	1669	330	4466	16550

infrastructure for the economy and breaking the isolation of areas, developing construction capacity, strengthening education and training, particularly the medium-level staff, and strengthening the health care services. The Plan concentrates the efforts on studying the mineral and water resources, in industrialization (mainly of local raw materials), moving towards any possible self-sufficiency in food, agricultural products and building materials. One of the main general goals is the establishing of a modern state, able to ensure security and to lead and monitor development.

To the main strategies belong the concentration on increasing productivity, selec-

tion of capital, intensive technology, commodity wise integration of the productive sectors, the use of incentives, the creating of a new formula for integration, and the co-operation between the socio-economic sectors. I.e., government, public, mixed and private sectors, and the Yemeni and Arab integration.

As a result of many targets for increasing the production of individual goods and services, of inter-relations between investments and increases of value added and of reflections of the growth in a sector on the other—particularly the effect of increased import on transport activity, and the effect of investments on growth in construction—and

THE YEMEN ARAB REPUBLIC

Chairman of the Central Planning Organisation of Y.A.R.

In the light of the capability of the country to meet the material, financial and labour requirements, the investments of the Plan were estimated at YR 16.6 billions (1\$=YR4.55). The average annual rate of growth of G.D.P. was estimated at 8.2% and of G.D.P. per capita at 6.1% since population rate of growth was estimated at about 1.9%.

The following table provides a picture of the actual and planned growth of G.D.P. and the structural changes.

The Fixed capital Formation is consisting of the following components:

1—Construction: YR6.2 Bill. or 38.6%

2—Buildings: YR4.6 Bill. or 28.9%
3—Machinery & Equipment: YR4.7 Bill. or 29.4%
4—Others: YR0.5 Bill. or 3.1%

As far as Capital Output Ratio is concerned it is estimated to increase gradually from 2.8/1 in the Base Year to 8.8/1 in the fifth year forming an average of 6.4/1 during the Plan period. This is due to concentration on capital intensive investments.

As the increase in stock is financed by the current Budgets, the Fixed Capital Formation will be financed as follows:

Financial resources of fixed capital formation

Socio-economic Sectors/ Financial Resources	Government Sector	Existing public & mixed sector	Cooperative Sector	New mixed Sector	Private Sector	TOTAL
Government	1750	250	268	381	—	2649
Self-financing	25	375	411	225	73	1109
Citizens	25	25	402	900	4005	5357
Commercial Banks	—	50	—	90	110	250
Subtotal: Internal Resources	1800	700	1081	1596	4188	9365
External loans, committed ..	700	900	—	16	—	1616
External loans under negotiation	1100	300	—	123	—	1523
Foreign aids committed	790	10	—	3	—	803
Foreign Aids under negotiation	360	40	—	—	—	400
Loans & aids needed	650	650	20	205	100	1625
Equity	—	6	—	400	233	639
Subtotal: External Resources	3600	1906	20	747	333	6606
Grand Total	5400	2606	1101	2343	4521	15975

It is obvious that the external resources for the whole Plan are about 41.2% whereas for the government, public and existing mixed Sectors they will be about 68.8%.

This table shows that the government's obligations towards the projects will be YR2,649 Millions. Taking into consideration the repayment of foreign loans, the obligations will be YR2,750 Millions.

The Government plans to eliminate the deficit in the current expenditures in the first year and achieve a surplus, which will be used for development. This will amount to YR430 Millions during the Plan period. Cash grants amounting to YR1.8 Billion and capital resources, external cash loans, loans from the Monetary System, investment loans and the use of the resources, amounting to YR520 Millions all together, will cover the rest of the Government's obligations.

As far as foreign trade is concerned, the import of consumer goods will grow at

an annual average of 9.5%, for goods of intermediate consumption about 14.6% per annum, whereas the import of capital goods will grow at an annual average of 88.3%. This high rate is due to the small size of this category in the base year.

On the other hand, the export of goods which amounts to only YR55 Millions in the Base Year will grow at about 12.2% annually.

The foreign trade deficit is estimated at about YR18,148 Millions during the Plan period. A part of this deficit, i.e., about YR1,598 Millions, will be covered by the surplus of exchange of services with the rest of the world, but the main part of the deficit will be covered by the net private and public transfers, in cash and in kind, amounting to about YR13,830 Millions. Thus the deficit in the current account will be about YR2,720 Millions. The net external borrowing will meet this deficit and create a theoretical surplus in the balance of payment amounting to about YR1,358 Millions.

The Plan foresees that the public consumption will increase at an annual rate of 10%, whereas the consumption of households will increase gradually, starting by 4.1% in the Base Year reaching the rate of 7.3% in the fifth year, and making an average of 5.9%. Since the total final consumption in the Base Year is higher than the G.D.P., the saving from the Gross Domestic product is, therefore, negative. It is planned that this concept of saving will be nil in the third year and starts to increase, so that the algebraic total of it during the Plan period will be nil also.

The net saving out of NDP will be nil in the last year of the Plan. On the other hand, the saving out of National resources, i.e., G.N.P. is planned to increase by an average rate of growth of 7.6% per annum, so that the share of final consumption from GNP decreases gradually from 71.1% in the first year to about 69.9% in the last year.

Furthermore, it is estimated that the total number of workers being about 1,166,000 in the Base Year, will increase by 101,000 in 1980/81, taking the external migration into consideration. This increase will be at about 1.7% annually. Thus the productivity measured at real G.D.P. per worker will increase from YR4,444 in the Base Year to YR6,054 in 1980/81, i.e., 36.2% or 6.4% per annum, thereof 4.9% in the agriculture, 6.4% in industry, and 6.0% in construction.

The Plan includes about 460 identified Projects in all Sectors, some of them are in the form of integrated or condensed programmes, i.e., the projects for crops development, dams and valleys development, integrated rural development, agro-industries, livestock development, the industrialization projects, rural water supply, water and sewerage and town planning, electrification, geophysical survey, ports development, roads network, vocational training, health care programmes, etc.

The list below includes the most important projects, and the expenditures planned for them during the five years (in YR Millions):

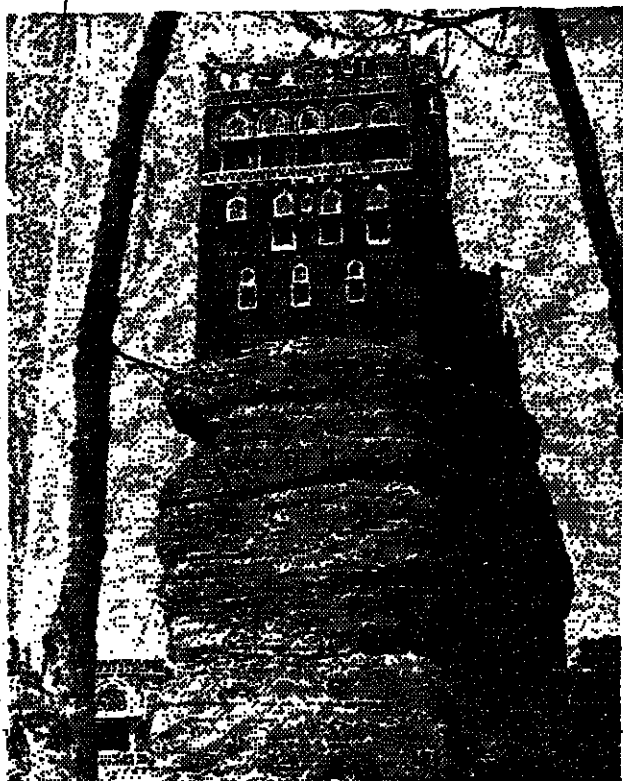
1—Seeds and Crops developments	70.0	43—Expansion of TV net-work and stations	53.3
2—Six projects for extentional and research services	85.7	44—Broadcasting station	28.7
3—Six projects for integrated rural development	190.6	45—Hodeidah Port development	204.0
4—Ma'reb dam	105.0	46—Floating berth in Ras-el-Kattheeb	35.0
5—Study of water resources and well's drilling	24.9	47—Expansion of Sana'a Airport	173.4
6—Development of six valleys in Tihama	477.4	48—Expansion of Taiz Airport	216.7
7—Development of six other valleys	84.9	49—Hodeidah Airport	150.0
8—Small dams and maintenance of terraces	13.0	50—Local Airports development	12.0
9—Livestock development	121.6	51—Aircrafts	329.5
10—Four projects for chicken and eggs	97.6	52—Land Transport Company	67.5
11—Shrimps manufacturing	22.5	53—Government Central Estate	150.0
12—Three fishing ports	40.0	54—Government's estates and centres in districts	41.7
13—Minerals investigation	51.9	55—Central workshop for maintenance	51.5
14—Salt manufacturing	10.7	56—Real Estate's Bank	50.0
15—Spinning factory in Hodeidah	47.5	57—Hamdi's Housing City	220.0
16—Wool textile in Dhamar	66.0	58—Labourers Housing City	152.0
17—Expansion of textile factory in Sana'a	65.0	59—Primary, preparatory and teachers' schools (government)	286.22
18—Tricot factory in Dhamar	13.5	60—Schools (cooperatives)	267.9
19—Expansion of Cement factory in Baghel	120.0	61—Secondary and commercial schools	60.6
20—Cement factory in Amran	314.0	62—Vocational training centres and schools	110.3
21—Industrial Estate	90.6	63—Informal education centres	23.3
22—Central Printing Press	14.0	64—Sana'a University	107.8
23—Paper factory	137.5	65—Scientific (religious) schools	27.8
24—Fertilizer mixing factory	24.0	66—Programmes for labourers' training	27.3
25—Rolling Mill and foundry	169.3	67—Basic health care centres (government)	29.5
26—Sixty identified projects for light industries of the private sector	315.0	68—Health centres (cooperatives)	57.5
27—Central electricity generator	271.2	69—Vaccination programme and fighting of diseases	37.0
28—High tension transformer lines	171.7	70—Hospitals (new and old)	129.6
29—Strengthening of Generation and Nets in main cities	200.4	71—Sana'a Sport City	60.0
30—Rural electrification projects	154.2	72—Sana'a Museum	29.1
31—Water and sewerage of five cities	463.7	73—Tourism estates and development of tourism areas	17.4
32—Rural water supply project (government)	190.5	74—Tribunal buildings	44.1
33—Rural water supply project (cooperatives)	102.9	75—Feasibility studies	50.0
34—Central markets	15.0		
35—Roads projects (government)	3,826.0		
36—Roads projects (cooperatives)	615.3		
37—Contractor company	50.0		
38—Grain storage and bakeries	79.2		
39—Petroleum storage	100.0		
40—Petroleum pipelines	150.0		
41—Telephone exchange	220.0		
42—Telephone nets development	65.4		

Finally, it is worth mentioning that the Government of the Yemen Arab Republic decided to organize a "Yemen Development Conference" in late November to discuss this plan. All international Organizations, Banks and Funds and some multinational companies will be invited to attend this conference.

These two pages have been prepared, contributed and paid for by the Ministry of Development and the Central Planning Organisation of the Yemen Arab Republic.



Lt. Col. Ahmed Hussein Al Ghashmi, Chairman of the Command Council and Chief of the Staff of the Yemen Armed Forces.



"Dar Al Haggar" or the House on the Rock, Sanaa.

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Colourful surprise on a rocky hillside

by F. Nigel Hepper

People often find it difficult to imagine any plant life existing anywhere on the Arabian Peninsula. At first sight North Yemen, too, appears to be a barren wilderness, yet many different plants have been recorded by the few botanists who have worked there.

This is because part of the country attracts exceptional rainfall for the peninsula, since it lies within the tropics and has a massive mountain escarpment up to 12,000ft high. Even the casual visitor will notice the diversity of plant life: from the coastal desert to stands of cactus-like succulents and high altitude rock plants.

It so happens that the newly constructed all-weather road that visitors are likely to drive along passes through most of the different regions. However, the road from Sana'a airport to the city crosses some of the least interesting mountain plains at 7,200ft and, unless one happens to be there after rain, few plants will be evident, except the odd acacia tree outside walled fig and almond orchards, and tamarisk bushes along the wadi.

Northwards there is even scenery, but for the wealthier, more rugged country, and to the east, beyond Marib, lies the Empty Quarter.

But from Sana'a one can head westwards down the spectacular mountain road to the coast, or southwards to Taiz about 150 miles away by way of a much higher summer rainfall region.

Taking the Taiz route one passes across the treeless magenta plains which are intensively cultivated with barley, wheat and durra, the sorghum grain from tropical Africa.

The disturbed roadside verges are infested with colourful prickly weeds which deter the ubiquitous sheep and goats. Even field convolvulus and shepherd's purse occur as weeds of cultivation, as does the ancestor of the garden marigold.

Stop on any rocky hillside and you will be surprised at the number of different plants making use of any crevice for their roots and protection from animals. The pincushion pink *Dianthus plumifolius* is common and would ornament any rock garden if it could be established.

The mountain road at 9,000ft over the Sumara Pass is exciting, not only for the grandeur of the scenery, but for the wealthier, more rugged country, of its plants. Blue *Cam-*

panula edulis trails down the cliffs, while red flowered spiky aloes perch on narrow ledges. Succulent *Isotriaena* and others are there too, and yellow spires of grey-leaved multi-stemmed *Prosopis* by the road.

Streams are frequent in the mountains, although often as mere trickles or residual pools in precipitous falls where the yellow *Primula verticillata* is a characteristic species. This splendid plant has a distribution across to Ethiopia and it is a parent of the hybrid *Primula x kewensis* grown in British greenhouses.

In swards of grasses and sedges where water oozes it is even possible to find the small orchid *Epipactis atrorubra*. All this is very unlike the popular concept of the Arabian Peninsula and it was for this reason that the Yemen was known as Arabia Felix—the Happy Arabia.

Cultivation is possible because of the rainfall which is carefully used on the level terraces that have been cleverly built up the mountain sides. The high retaining walls, however, provide useful habitats for wild plants. Rounded bushes of the Abyssinian rose with its delicate white flowers and *E. maritima* predominating.

These are prickly, but there are a couple of tree species, *Euphorbia arnautica* and *E. pauciflora*, which always occur at scattered individuals. The thickets are composed of several species 3ft or 4ft in height with *E. cuneata*, appropriately named, where each afternoon men gather for *qat*-chewing sessions when they stuff leaf

between the stones of the walls hide various ferns, such as *Cheilanthes catenensis* and the similar rusty-back *Ceterach officinarum*. Although I am not a fern enthusiast, I was amazed to find so many ferns in the Yemen since they occur in a wide range of habitats. Not only different species, but large numbers occur in favourable habitats.

At the end of the rainy season the terrace wall tops are gay with the yellow daisy *Guzmania scabra*, the pink *Penstemon lanceolatus* and scarlet dock *Polygonum persicaria*.

As the Taiz road descends from the 11th summit below the incidence of frost more tropical species increase in frequency, especially the succulent *Sesuvium*. In some days the broad valley north-east of Taiz must have been a thick carpet of succulent euphorbia which will cover much of the rocky hills.

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After leaf into an ever increasing check. At the foot of the mountains still grow some of the myrrh and balsam bushes reminding us of the ancient spice road not far away. There the camel caravan carried the spices of Shaba and frankincense resin from trees in southern Arabia heading north for the cities of the classical world.

Down the mountain wadis rush dangerous torrents during the rainy season. But once past the escarpment most of the water is lost in the desert of the 20-mile wide coastal plain and little reaches the sea.

This desert is the Thama where the vegetation, such as it is, is similar to that on the other side of the Red Sea. Parts of it are of dense grass, while clumps of the branched down palms and date palms grow near the sea and acacias line the dry wadis.

Yet, because of the intense heat and blowing sand, one may be forgiven for imagining the yellow primula beside the trickling mountain stream to be half a world away.

The author is a principal scientific officer and an assistant keeper in the herbarium, Royal Botanic Gardens, Kew.

Mountainous land may plume itself on a variety of birdlife

by Hugo Haig-Thomas

travel south to the former capital, Taiz, then continue to Zabid in the hot coastal plain, the Thimamah.

In the gardens of Sana'a one can see the ubiquitous house sparrow, common bulbul, hoopoes, laughing plover, doves and at the right time of year, golden orioles. Flying overhead are black kites, *Nyctalus* *nyctalus*, which are brown, not black.

They are common in Asia and Africa and are usually found near settlements where they scavenge off refuse.

In Sana'a black kites often sit sunning themselves high up on the tall Yemeni houses, their wings outstretched in a heraldic posture. In the evenings, two hours before sunset, a hundred or more can be seen rising on the thermals and circling high over the city before roosting.

Before leaving Sana'a, one should visit Haddah, a leafy village a couple of miles south of the city. Here the beautiful violet-backed starling, *Uroloncha* *leucogaster*, is seen. It nests in the tall fig trees. The male is a metallic

violet plum colour with brilliant white chest and tail coverts. The Palestinian sunbird, *Nectarinia* *ocea*, flits among the shrubs like an animated green jewel.

Other sunbirds found in Yemen are the Abyssinian sunbird, the purple sunbird and the exquisite pygmy sunbird with its green, violet and yellow plumage and long tail.

Close to Sana'a is Wadi Dahr, flanked by steep rocky cliffs. Here the starling family is found. It looks like a glossy blackbird but has bright chestnut patches under each wing, purple on the conspicuous during flight. It is a gregarious bird, living in rocky cliffs and ravines, and has an eerie melancholy cry which Melgerthagen described as "a wild, plaintive, like its surroundings".

Mounting south to Taiz, one first passes through the fertile *Monsieur* *Platus*, where the colourful *Abdim's* *stork* perches on the round and conspicuous red legs and dark red eyes. In the breeding season it utters a series of melodious whistles hour after hour.

Other raptors, of which there are many, include the Batelure eagle, easily recognisable in flight by its square body and long black and white pointed wings, shaped like an archer's bow. The tawny eagle is also common and with luck the osprey is sometimes seen.

Having long puzzled over the hammerhead, a strange bird, ornithologists have eventually put it into a family of its own. Brown, rather stork-like and about the size of a large duck, the bird's pointed crest mirrors its beak, giving it its head a hammer-like appearance.

It is often missed because it watches silently beside a stream and it can be approached to within yards before it flies off on slow measured wingbeats. Its tail is a large, saucer-like, two-thirds high and a yard and a half across, usually built in the fork of a tree.

In the Thimamah the countryside is reminiscent of north-east Africa, with date palms and scrubby acacia trees. Bee-eaters, shrikes and vivid European, Abyssinian and black-breasted rollers are seen there.

The coast is rich in bird-life and the areas round Al-Khawkhah and Al-Fazah near Zabid are especially interesting. Among the wide range of aquatic and shore birds are white pelicans, spoonbills, avocets and even the greater flamingo.

Black-winged stilts are found, which have ridiculously long legs like red kingfishers, and also flocks of crab plover, named after their favourite food which they crack open with their heavy bills.

Seven species of tern have been recorded and also the African skimmer, *Rynchops* *flavitorques*.

Resembling large terns, skimmers derive their name from their unusual method of feeding. They skim just above untroubled water and with the much longer lower mandible of the opened beak just below the surface, scoop in fish and other small creatures.

There is still much to discover about birdlife in Yemen. The Yemeni serin, *Serinus* *merchensis*, and the Yemeni linnet, *Carduelis* *peninsularis*, one will not have seen before. And does the bald ibis nest in Yemen?

Other raptors, of which there are many, include the Batelure eagle, easily recognisable in flight by its square body and long black and white pointed wings, shaped like an archer's bow. The tawny eagle is also common and with luck the osprey is sometimes seen.

Having long puzzled over the hammerhead, a strange bird, ornithologists have eventually put it into a family of its own. Brown, rather stork-like and about the size of a large duck, the bird's pointed crest mirrors its beak, giving it its head a hammer-like appearance.

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Local herbs add stimulus to cookery

by Ann Smith

Yemeni cuisine is simple in general, with cereals being the staple diet. Meat and milk dishes have always been important. Vegetables used to be a rare commodity, until the second Turkish occupation in the late nineteenth century, onions, peppers and white radishes were the only vegetables used. The cultivation of rice, which was recorded growing in Yemen in the fourteenth century, is a rare sight today.

Because of the inadequate rainfall, the crops have been of limited variety. However, with the introduction of experimental farms and improvements in education, new vegetable crops are growing alongside the traditional grains. In certain areas vineyards are very successful, producing a great variety of grapes.

Many kinds of bread are made in the home. The finest is the wheat bread, *khubz*. The slightly leavened dough is first stretched across the *mukhabazah*, a kind of hard cushion made from palm fronds and cotton. It is then pressed on to the inside of a hot earthenware oven which is shaped like a cylinder and has a woodfire at its base.

Heavier breads made from barley, sorghum and lentils are placed on to the inside of the oven by hand, a dangerous procedure for the inexperienced.

The main meal of the day takes place anytime after the midday prayer. It can be a splendid occasion, particularly during wedding

celebrations or *Fid al-Fitr*, the holiday which marks the end of the fasting month of Ramadan.

The subtle combination of unrefined cereals dishes and fresh meat and vegetables cooked with local herbs, produces a nutritious meal, an example to the Western world with its all too often tasteless, heavy and over-refined diet.

The dining room is prepared by the womenfolk. A cloth on the floor is covered with many vegetable side dishes. The bread is placed in a convenient corner in locally woven baskets.

The men of the family and guests enter after washing their heads and leaving their shoes outside. The traditional posture for eating is sitting on the left leg with the right forearm resting on the raised right

knee. One always eats with the right hand.

Shafout is usually the first course. This is a light rice pudding covered with slightly soured milk and mixed with spring onions, mint and parsley. The herbs give the dish a green tinge and have properties which stimulate the appetite.

Bint sahn (daughter of the house) follows. This is a light batter resembling Yorkshire pudding covered with honey and caraway seeds. The honey is sometimes replaced by mince or even just oil.

Although it seems unusual to have a sweet course so near the beginning of the meal, it is so delicious that one must be very careful not to over-indulge, as the next course is the most famous of all Yemeni dishes—*hibbah*.

Hibbah is a herbal dip made from the ground seeds of fenugreek. These seeds are soaked in water to reduce their natural bitterness and then beaten to a white froth. This is served with a hot meat broth in a heavy stone dish. The host adds to the *hibbah* tasty portions from the numerous vegetable dishes including ladies' fingers, French beans, stuffed peppers and aubergines. All these ingredients he mixes together and the guests scoop it up with their bread.

The herbal properties of *hibbah* are numerous. Iron and phosphorus are abundant and it also acts as a stimulant. Often poorer Yemenis eat this traditional dip as their main meal with perhaps the addition of a vegetable.

Meat and chicken follow, the *maddah*.

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Mosaic tracery glints through translucent alabaster

by Ronald Lewcock

Approaching Sana'a by air is an experience comparable with a first view of the Grand Canal in Venice. The impression of fantasy castles is not dispelled as one descends from the airport towards the city. Buildings of all shapes, circular, rectangular, square, seem to rise out of the flat landscape in a seemingly impossible way. The heights are not merely the result of the lower levels of the city, but for most of their height the buildings are of solid, layered mud bricks of all sizes, and under a plaster eroded by monsoon rains until their indentations mark the level to give access to a generous lobby, around which the rooms are grouped, usually one main room, a store and a bathroom. The level of the family living room is reached first; this is also used for men transacting business, at which times women retreat to higher rooms.

On the next level is the *divan*, a kind of large parlor kept locked except for family gatherings for feasts, weddings and funerals; this room is also used as the place in which childbirth takes place, on an elaborately arranged and decorated raised couch.

Above the *divan* are smaller, semi-private rooms and the kitchen, and at the highest level of the house the afternoon reception room, the *mafraj* used only by men. There, an assembly of relatives and friends smoke the traditional water pipes and chew *qat*, a mild stimulant leaf, while engaged in conversation which is often phrased in elegant formal language or even in poetry.

The large windows on three sides of the *mafraj*, and its height above the ground, provide magnificent views, which are at their best as conversation flags and the sun sets in the late afternoon.

One of the remarkable things about the old houses, noted by al-Hamdani in the ninth century, is the cleanliness and freedom from smells of the bathrooms in the houses, which also serve as lavatories.

That is achieved by the use of a "long drop," a masonry pipe conveying the soil into a closed room at the lowest level, where it quickly dries in the mountain air and becomes odourless. Later, the dried soil is scooped away and burnt as fuel, the ash serving to fertilize market gardens.

This is clearly a country in which architecture is ranked high, giving a pride and enjoyment to its owners which we might parallel in the modern West only by the sight of a new car parked at the curb. It seems to have served the same prestige purpose—one of the reasons why it used to be so painstakingly maintained, and why, a modern value arrive, it is beginning to fall into neglect.

Yet even today the North Yemen Government is concerned to keep alive the tradition and style of Yemeni building. The Ministry of Public Works insists that concrete and steel should be hidden by traditional stonework, something that is not always possible and is becoming economically impracticable.

North Yemen is a heavily populated country. In the old city of Sana'a alone there are 14,000 tower houses. It is unlikely that its extraordinary architectural heritage—not merely houses but also many caravanserais, public hot baths and countless mosques of the greatest historic interest—would ever be entirely destroyed.

But extensive damage has already been done, to the old walls and gates of Sana'a and Taiz, to the extraordinary Janad mosque, built during the first years of Islam, and, by neglect, to countless buildings besides.

The Yemeni people will have to resign themselves to losing a part of their heritage with change; but it is to be hoped that steps may be taken, such as those which led in the Sultanate of Oman to the establishment of the Ministry of National Heritage, to ensure that some selective control continues to be exercised at top government level.

Not merely for the people of North Yemen, but for all who prize the achievements of humanity, it is a matter as urgent as the preservation of Venice.

The author is a fellow of Clare Hall, Cambridge, and lectures at Cambridge University and the Architectural Association in London.



Maria Theresa thalers, cylindrical talismen and other silver ornaments adorn this woman from the east of the country.

Jewish silversmiths founded filigree tradition

by Angela Fisher

For a lover of old jewelry North Yemen is one of the most enticing places in the world. Elaborate silver and gold necklaces, delicate filigree beads, intricate mesh collars, ornate silver rings with coral and agate, bracelets and ceremonial daggers exquisitely wrought are just some of the treasures to be found.

Early sea trade, particularly to Persia and India, and the accessibility of art from these areas have influenced Yemeni jewelry to some extent. Generally, however, the designs are localized, and the exotic jewelry peculiar to North Yemen is rarely made elsewhere.

Qat' Yahud, the former Jewish quarter of Sana'a, the capital, has long been the traditional centre of jewelry in the country. The Yemeni Jews have always been associated with silver-smithing. Their execution of silver and gilt filigree work of the finest degree has resulted in the high reputation of this craft. A silversmith's status was at the top of the Yemeni Jewish society.

Most Yemeni Jews settled in Sana'a—and hence the jewelry centre developed there. Smaller industries and markets emerged in other towns like Sa'ada and Taiz, where Jewish communities were also strong.

In Qat' Yahud the basic materials required for jewelry-making were traded. There was once silver in the form of coins—Maria Theresa thalers from Austria and rupees from India—gold in the form of Yemeni materials, coral and pearls from the Mediterranean or Red Sea, amber from the Somali coast and Egypt, and agates from the Yemeni mountains.

The jewelry industry flourished. Silversmiths sat cross-legged for hours over their soldering fires. They were hemmed in by their wares, which festooned their tiny shops. They produced some of the finest jewelry using the techniques of filigree wire work, granulation (designing with fine raised beads) and intricate chain linking. Corals and agates set in silver were also used as a means of decoration.

Yemeni jewelry became widely sought after. Arab dhows from Aden took it to the east coast of Africa, where it was traded for mangrove poles, and to Zanzibar, where it was exchanged for cloves and other spices. The annual Muslim pilgrimage to Mecca carried it northward—and from there trading extended to countries as far off as Persia and Afghanistan.

The Jewish silversmiths of North Yemen were highly thought of at home and abroad, and in the 1950s, the Government insisted on each emigrating Jewish craftsman training a Yemeni before his departure so that the craft could be continued.

Vast amounts of money can change hands in the jewelry suk. Some Yemenis may spend from £300 to £2,000 on jewelry for their brides. Their gift is directly related to their wealth and social status. Some men buy gold, others silver and the poorer ones may arrange to borrow or rent pieces of jewelry, especially for the wedding celebrations, so that their wives are suitably adorned.

A woman's jewelry at weddings and other festivities is beautiful, lavish and even ostentatious. The silk head-dress and robes of white from Sana'a are traditionally embellished with numerous earrings, necklaces, hair decorations, bracelets, anklets, and rings—sometimes up to 20 pieces in all, depending on the wealth of the couple.

A man's status is signified by the silver weight and quality of workmanship of his *djambiya*, a curved ornamental dagger which, attached to an intricately woven waistbelt, is an important part of his everyday attire.

Muslim people generally wear some kind of silver container which is a talisman—or protector from the evil eye. Miklas are cylindrical shaped containers; *hijab* are rectangular shaped ones, often set with an agate stone and trimmed with tiny bells. These boxes are worn as pendants on necklaces, belts and armbands, and often enclose messages from the Koran. Some of those messages can be taken out or changed, others are sealed for life.

Jewelry can signify a stage of life. A woman receives most of her jewelry when she marries; a man receives his *djambiya* at puberty. Also different styles, designs and elements in jewelry reveal the different locality of people in North Yemen.

In remote villages each woman will own a similar set of jewelry for festive occasions. It may vary in quality depending on the status of the family, but the design of the pieces and the combination in which they are worn remains typical to that district.

In the region of Khawlan in the east, women wear a *usbah*—a headband of filigree silver and coral from which is suspended a nunt —a Maria Theresa thaler decorated with bells and placed on the forehead. *Duqqa*, the vast necklace of silver balls, three cylindrical talismen and 13 Maria Theresa thalers, covers the chest together with large cubes of yellow coral resin.

The *labal* Sahar women from Taiz in the south have a preference for muria, tchir chubers of yellow "Egyptian" amber and others of black and white Yemeni agate. In the al-Baydha area in the south a typical wedding necklace, the *duka mohoral*, consists of seven strands of coral mixed with granulated beads, red, bordered by a large embossed silver disc and coins. Also worn are the *shannana*, tiny chokers of silver or gold washed segments trimmed with tiny bells.

Beda women of the desert in the east decorate their upper arms with strings of yellow coral resin beads and *imrad*, the vast and beautiful wrought silver armlets. At weddings they cover their faces with an intricate veil-like curtain of linked silver discs and *zaka* bells.

In the vicinity of Sa'ada in the north the *sadria* is worn. It resembles a beautiful breastplate with its seven strands of silver beads and five huge silver elements from which hang embossed talismen and chains.

The women from Sana'a have some of the finest jewelry in Yemen. Their collection includes the *tulwa*, an intricate chain mesh collar, the *Mushara* earrings with seed pearls, coral and *tut*, and the *qili*, a lavish necklace of bunches of coral and silver beads.

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by Kathleen Partridge

In a land as mountainous as North Yemen, where three quarters of the population live in remote and scattered settlements of fewer than 250 people, one of the biggest problems of education is "delivering" it.

Explaining some of the difficulties faced by his department, Dr Abdel Karim al-Hayami, the Minister of Education, told me: "Everything to do with education in Yemen can be regarded as a priority. More than 80 per cent of our people are still illiterate and out of a population of six million or so, only 300,000 children are receiving an elementary education."

The five-year plan allocates £140m to education—about 7 per cent of the total budget—and the Government hopes that this will at least provide a broad educational base on which to build. The programme is limited not only by financial resources but also by the chronic shortage of trained teachers in Yemen.

Already much has been achieved, compared with the dark days of the Imamate when only the sons of the rich received any education. Even that was very restricted, with the accent on Koranic instruction, for the Imam feared—with reason—

that knowledge of the outside world would lead to discontent with the primitive and repressive conditions inside Yemen.

A few hand-picked young men were from time to time permitted to study abroad, mostly at military academies in Iraq and Egypt, while in the 1950s some Egyptian teachers were allowed into Yemen to set up a small number of secular schools. But it was not until after the 1962 revolution that schools were built in any numbers. Often provided by local subscriptions, they were more widespread in the south of the country, which was less affected by the seven-year civil war. Perhaps for this reason the level of literacy in the south is higher than in any other part of the country.

In the 1960s many more Yemenis went abroad for higher education than in other Arab countries or to the communist bloc. There are educational establishments—most notably in the Soviet Union—which cater specially for students from the oil-producing countries who lack the normal minimum qualifications.

"Their so-called degrees are hardly worth the paper

they are written on", one Western educationist told me, and I heard this view expressed a number of times in various contexts.

Others argue, however, that any level of skill is of value in a country with a desperate shortage of trained manpower.

After the revolution, the rulers of the newly proclaimed republic realized that education—from basic literacy through to specialized vocational training—was the key to the future development of their country. With the help of the Kuwait Fund a university was founded in Sana'a in the academic year 1970-71, staffed by Egyptian teachers, and a number of other educational institutions were set up with the help of Saudi Arabia, Egypt, China and other benefactors.

Educational thinking in Yemen has traditionally been deeply influenced by Egypt and the syllabus taught in the schools is almost the same as the Egyptian one. Some observers feel that there is too great an emphasis on academic education for the needs of the country.

When the late President Hamdi came to power in

Education a priority in land of scattered settlements

1974 he started a "correction movement" encompassing the whole of Yemen's development. A three-year plan was drawn up and this was followed by the present five-year plan. The Government hopes to increase the number of pupils in primary schools by 69 per cent by the end of the plan in 1981. The primary school course lasts six years and children begin at the age of six or seven.

Although education is theoretically free and available to all, in practice it is not. In coeducational schools, social and religious traditions have led to boys outnumbering girls in the classroom by 18 to one. In a country where child labour is taken for granted in shops, on farms and even in road-building, a high proportion of pupils of both sexes do not complete their primary studies, except among the middle classes.

The *sana'a*, or contribution expected from parents towards books and other expenses in locally provided schools, sometimes inhibits the poorest families from sending their children to primary school. But on the whole parents seem to rate education highly and demand for schools and tea-

chers at present outstrips the Government's ability to provide them.

After primary school the next step up the educational ladder is the preparatory school, which pupils attend for three years. The Government hopes to increase the number of preparatory school children by 159 per cent during the period of the five-year plan. Next comes the secondary school, which also has a three-year course, and here the Government is aiming at an increase of 139 per cent in the number of pupils.

The Government is hoping for the biggest increase—207 per cent—in the relatively small number of students who graduate from elementary education and go on to technical school.

Centres for specialized and vocational training are being set up in all the governorates and there should be at least 22 by the end of the plan in 1981, including teacher-training colleges. At present few elementary school-teachers have any formal training.

At the top of the pyramid are the 2,500 or so students at Sana'a University, a figure which the plan aims to

double. Some 12 per cent of undergraduates are girls and the proportion is rising steadily. Most of the girls wear veils, as classes are mixed.

Not surprisingly in a country whose educational development is still in its infancy, there are vital gaps in the system. Sana'a University has no faculties of medicine or agriculture, but the foundation laid during the term of the present plan and the Government hopes that they will become operational during the next plan period.

Many Yemeni students still go abroad for higher education. The British Council, for instance, sponsors a number of post-graduate students every year who come to Britain to study subjects of particular usefulness for their country's development. In the reverse direction, the council also provides English teachers and educational advisers to the Yemeni Government.

The National Institute of Public Administration, for example, which was set up in 1971 to improve the quality of the Civil Service, has two British Council contract teachers on its staff.

At the other end of the scale are the millions of adult illiterates. Dr Hayami considers this as a problem deserving more attention as the task of establishing a modern education in the country is studying the methods used in India and other developing countries.

Yemen's programme to eliminate illiteracy, though still at an exploratory stage, has aroused much interest in the country. Dr Hayami has been particularly pleased by the good response from women. The Government hopes to reach some 50 adults to read by 1981.

Having got to grips with educating the population, the Government is increasingly faced with a problem: how to curb brain-drain. Already a number of Yemenis with varying skills have covered the financial costs of working in neighbouring oil-rich under-populated states—Saudi Arabia and the United Arab Emirates. Its salaries at home much to be offered elsewhere, it is difficult to see how this can be plugged.

Health service opens war against diseases

From the age of 43 a North Yemeni is living on borrowed time, according to official life expectancy figures. This is not surprising, considering the gauntlet of endemic diseases he or she has to run from the moment of birth. In a country where, until recently, any concept of hygiene or medical care was almost unknown and where preventive medicine is still in its infancy, the expression "survival of the fittest" is a grim reality.

To try to make up for the lost years under the Imam and during the protracted civil war of 1962-70 (which left some 200,000 dead), the present Government is aiming to spend £25m on health care over the period of the five-year plan. By 1981 the Yemen Arab Republic hopes to have increased total hospital beds by 74 per cent; to have set up 259 rural health units, 97 dispensaries and 37 health centres; and to have inoculated 400,000 children. Other related goals are to reduce tuberculosis by 20 per cent, bilharzia by 30 per cent and malaria by 50 per cent.

Before the present regime came to power in 1974, there was no organized health service and most of the country's medical facilities were still in the Middle Ages. The few uncoordinated medical facilities that did exist were provided by United Nations-sponsored volunteers, small groups of missionaries and other voluntary groups from overseas.

Most of the clinics and hospitals they founded are now being absorbed into an integrated health service, although it will be a long time before North Yemen

can do without foreign finance and skills.

Under Imam Yahya, who was assassinated in 1948, very few European doctors were allowed into the country, and no Yemenis were permitted to go abroad to study medicine. The few hospitals were chronically short of trained staff, drugs and equipment, and the doctors were expected to devote themselves to the Imam, his family and friends. In the face of all these difficulties most European doctors gave up and left.

There was little improvement under Imam Ahmed, his son, who was notoriously mean. In the late 1950s he prevailed upon the Soviet Union to build him a hospital at Hodieda. When it was completed in 1962 he declined to pay for it. (The Chinese too were told to take the newly built Sana'a-Hodieda road away with them when they requested payment from him.)

The terrible suffering caused by the civil war brought many voluntary organizations to the area, but it was not until the late 1970s that any serious attempt was made by a government to organize a proper health service.

The problems facing the Government, as enormous as they are, are not lessened by the geographical difficulty in reaching those in need in a mountainous country of scattered and often inaccessible hamlets.

Ignorance, overcrowding, malnutrition and low standards of personal and public hygiene create the conditions in which epidemics thrive, and every year

hundreds of children die from infectious diseases like gastro-enteritis, measles, whooping-cough and respiratory infections.

From the multitude of diseases endemic in Yemen, the Ministry of Health has drawn up a short-list of 15 which require priority action under the five-year plan. At the top of the list come the diarrhoeal diseases, but also included are tuberculosis, malaria, bilharzia, childhood infections such as measles and inflammatory diseases of the eye such as trachoma. An estimated 45 per cent of schoolchildren suffer from eye diseases.

The infant mortality rate is at present depressingly high overall, in spite of dramatic local improvements achieved by the mother-and-child clinics run by overseas volunteers. The official figure is 160 deaths for each 1,000 live births, but the Ministry of Health readily admits that this is only an approximate figure since births and deaths are not yet formally registered. (The equivalent figure for Britain is 18 per 1,000.)

The Koran instructs that babies should be breast-fed for two years, and in rural areas this is often carried out. Health workers find that such babies are often under-nourished because the mothers' milk supply is inadequate. Some experts believe that chewing the mildly narcotic *gaf* leaf contributes to this deficiency, although this has not been proved. In the towns many mothers now prefer bottle-feeding. Apart from the risks of infection arising from unsterilized bottles,



A Yemeni nurse injects a schoolboy while his companion looks on.

the dangers of incorrect mixing are obvious when 90 per cent of women cannot read.

The Government is also faced by environmental problems with a direct bearing on health. Effective sewage disposal is almost unknown, as is refuse collection. Much of the country is short of water, but irrigation schemes tend to bring malaria and bilharzia in their wake. An added

hazard for the expatriate community—and for tourists—is hepatitis, although the local population seems to have built up a good immunity to this disease.

The Government recognizes that preventive medicine could dispose of a great many of its health problems, if only the medical and scientific facilities existed, together with the trained staff. In the meantime the accent must be, by necessity, on cure rather than on prevention.

The Government sees the training of staff as one of its most urgent tasks. The hospitals are staffed by Russians, Chinese, Swedes, Americans, Germans, Italians, Britons and various other nationalities, as well as by Yemenis. By common consent, the stand-

ard of local nursing is mixed to be low.

A nursing school was set up by the World Health Organization as long as 1958, but progress was slow because of the low educational standards of the country. The first two years of the course were entirely to general education.

A three-year course was started in 1968 for students of whom who held the primary education certificate, to the general level of education in the country is standard of nursing is low too. Meanwhile, nurses have only a "practical nurse" qualification, which they acquired simply by working at a hospital.

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Britain in on the ground floor

by John Whelan

The pattern of British exports to North Yemen, up from £9m in 1975 to £19.7m in 1976, tells only part of the story of British participation in Yemen's development.

The post-Ramadan August-September improvement in business has already brought success in one major construction project. Costain International and Amey Roadstone Construction have in a joint venture won a £19m contract to build an airport at Hodieda. Cable & Wireless, which is already involved in an earth satellite station at Ghaurif, near Sana'a, and on a 10-year franchise to run the country's external communications, will handle electrical and airfield control installations at Hodieda as a sub-contractor.

For Amey Roadstone the Hodieda contract is its first Middle East venture. Executives say that a pleasing side of the contract is that a \$15m loan, providing nearly half the finance, was awarded by the Iraqi Fund for External Development. The contract has been awarded reasonably quickly (tenders were returned in March) and drawn up according to the standard terms.

Amey expects to start work after Christmas although the port congestion at Hodieda may cause

delays. The award is all the more satisfying to British interests as the consultants are international Soft-avia of France and the Geneva-based International Civil Aviation Organization (ICAO).

British consultants have blazed the trail into Yemen. Sir William Halcrow & Partners, which is bidding for a consultancy contract at Hodieda port, is also involved in agriculture. Yemen has a special advantage over most of the Arab peninsula in that its 6,570,000 population is based with less than 10 per cent living in the three main towns of Hodieda, Taiz and Sana'a.

Halcrow started work last October on a pre-feasibility study for irrigation development at Wedi Sudur which is expected to take five years. The Ministry of Overseas Development is engaged in similar work at Wedi Rima which a spokesman says is bidding fully, is aimed at "reviving the cotton crop referred to by Pliny and Herodotus as being plentiful in Arabia Felix".

Many of the opportunities for British participation are in food processing and agriculture according to the Sana'a embassy. Oscar Faber & Partners of St Albans are advising the Yemen General Grain Corporation on a national network of grain processing and grain storage units. Two contracts for a

silos and bagging plant at Hodieda and for civil works are out to tender returnable this month. The £2.8m project also involves a large contract for mechanical and bakery equipment which is being reduced to a short list of suppliers.

The richer pickings probably lie in basic services. Much interest has been shown by exporters in the appointment in July of British consultants Kennedy & Donkin as advisers to the Yemen General Electrical Corporation on a national power generation and grid system.

The nation's generating capacity, excluding private generators, is now only 17.5MW. Kennedy & Donkin have returned a preliminary report to the Yemen authorities and say the works are likely to entail a steam-powered generating station with a transmission system linking Hodieda and Sana'a with the possibility of later extension.

The new power station will probably come on stream by 1981 with Saudi and Kuwaiti finance. Among other consultants working in Yemen are Howard Humphreys, also of Britain, which are advising on the building of a sewerage system and a sewage treatment works for Sana'a. The firm offers considerable incentives to British firms. The Government's investment law imposes few restrictions: there is an initial five-year tax holiday,

no duty on imported goods and agencies may be 100 per cent foreign. The Government publishes tenders from time to time but prefers the Central Planning Organization to shortlist firms before inviting them to tender for specific projects. The major snag is the shortage of skilled labour and port congestion.

British air charter operators are also taking a lead in carrying freight to Sana'a. Kingsley Aviation Services, which is the British agent for Cargolux of Luxembourg, has a weekly DC-8 flight to Sana'a which started in March. IAS Cargo Airlines started a weekly service to Sana'a in August 1976. Both experienced some initial teething problems but IAS in particular says the demand for air freight is continuing strong.

North Yemen is still at the start of its development programme and it seems that the construction sector has yet to develop. Firms like Arcon Building Exports, part of the Taylor group, are selling to Yemen but say it cannot yet be regarded as a growing market.

Much will depend on the direction of Saudi and Gulf aid but the rate of expansion is likely to accelerate as the impetus from the five-year development plan starts to be felt.

The author is on the staff of the Middle East Economic Digest.

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Ambitious targets set for road development

by Charles Boase

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Cable & Wireless and its associates operate throughout the world and have offices in Bahrain, Dubai, Fiji,
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and The Yemen Arab Republic.

Rough road to slough medieval skin

by Peter Hopkirk

For centuries, locked away behind its mountain ramparts, Yemen remained as remote and isolated from the outside world as Tibet. The few Western travellers who managed to penetrate to its interior found a medieval backwater, cut off from all material progress and liberal thought, and ruled over by autocratic, often barbaric, imams.

Its inhabitants were—and still are today—fiercely independent, and more like Gypsies than the Beduin of the Arabian peninsula. A Turkish general who once fought them declared admiringly: "All Europe could be conquered by such men."

Life continued with little change until 1962 when a group of Nasser-inspired young officers overthrew the last of the imams, who had been on the throne just a week. Believed by the revolutionaries to be lying dead in the ruins of his palace, the imam managed to escape and fled the capital, Sana'a, for the mountains of the north.

The tribes there rallied to his cause, and immediately the country was plunged into a civil war which was to cost some 200,000 lives and to last more than seven years. Today he lives quietly in exile in Kent.

For years before the coup which toppled him, the country had been in the cruel grip of his father, Imam Ahmad, the most repressive of all Yemen's rulers. Public beheadings, the amputation of hands and feet, and the chaining of prisoners to the walls of their dungeons were his method of maintaining order. The heads of those who had been executed were sometimes displayed on spikes on the walls of the capital and severed hands of thieves nailed up as a warning to others.

To keep the tribes of his kingdom passive he introduced a system of hostages under which the sons of chieftains were held in his palace as a guarantee of good behaviour. When he went to Rome for medical treatment in 1959 he took some of these hostages with him. Villages suspected of harbouring agitators or

nationalists were ruthlessly destroyed. Even his own family was not exempt. At least two of his sons, it is said, were chained up in their prison cells and one of his brothers executed. So concerned was he about his own safety that he had vital parts of tanks and other weapons belonging to his army removed and hidden in secret arsenals.

According to one authority he had large quantities of gold concealed in similar caches, the slaves who carried it there being subsequently executed. His father, who seems to have been little better, although accounts vary, was finally machine-gunned to death. Imam Ahmad was therefore taking no risks. Even so there were a number of attempts on his life, including one in which he is known to have been struck by five bullets.

On another occasion he was held prisoner in his palace by rebels. According to one account—his own—he seized a Bren gun from one of his captives and shot his way to freedom. Another version is that he bribed his guards, and then when safely back on his throne he docked the amount from their meagre pay. In the event, to everybody's surprise, he died in his bed of natural causes, albeit just in time.

Young officers plotting his downfall

For already the young officers had been plotting his downfall for many months with the intention of replacing the country's ancient theocracy with a modern republic. Indeed it appears that there was more than one group of plotters at work, one of them within his own family.

When they struck, therefore, it was against his son, Imam Muhammad al-Badr, who as Crown Prince had tried to introduce reforms, including the freeing of slaves. However, these had immediately been reversed by his father on his return home from abroad. Even during his solitary week on the throne, he had begun to institute changes, but it was too late.

On the night of September 26, 1962—today celebrated annually as Revolution Day—his palace in Sana'a was shelled by tanks which had encircled it. Next day the revolutionaries proclaimed the new Yemen Arab Republic. But their triumph was to prove short-lived. The young Imam escaped unhurt with four companions through a little-known gate in the palace wall and made his way secretly north.

The war that followed turned out to be much more than a contest between the royalists and the republicans for control of a little-known and unimportant country. Quick to come to the support of the royalist cause were the Saudis, who viewed the conflict as a showdown between the conservative elements in the Arab world like themselves and those who, manipulated by Nasser, aimed to sweep them away. Only five days before the coup Cairo Radio had warned King Saud that he and King Hussein of Jordan were "just as dead as Imam Ahmad but not yet buried."

The Egyptians, who were almost certainly behind the coup in the first place, immediately offered military assistance to the republicans, and within days paratroops and arms were pouring into Hodeida, the country's principal port. At the height of the war the Egyptian expeditionary force totalled some 60,000 men. Most observers believe that, with his eye on its oil resources, Nasser's aim was to carry the revolution through into Saudi Arabia with its sparse population and meagre defence capacity.

Reporters from Western newspapers made their way from Saudi Arabia to the royalist cave headquarters, and soon the imagination of the world was caught by the romantic vision of a king deprived of his throne by the armed might of President Nasser fighting to recover it. A public relations consultant was hired by the royalists to help to promote their cause, and there was a stiffening of foreign advisers and mercenaries in their ranks.

The republican cause was helped in the eyes of the world by the Egyptians' use of gas against innocent

villagers in 1963, 1966, and again in 1967 shortly before their evacuation of the country. One British reporter who reached the first village to be so attacked a full month afterwards reported that he could hear the agonised coughing of the victims from some distance away. The use of gas by the Egyptians was confirmed by a Red Cross team which visited one of the villages after it had been bombed by Russian-built aircraft flown by Egyptian pilots, although that was denied by Egypt.

Until the ceasefire came about in 1970 the war ebbed and flowed, marked by long periods of stalemate, attempts by the United States and others to negotiate a settlement, the departure of the Egyptians after their defeat in the June, 1967, war, and an unsuccessful 70-day siege of Sana'a by the royalists.

Opposing sides were reconciled

Three years after both Saudi Arabia and Egypt had withdrawn their support, the opposing sides were reconciled. The Government which emerged was a coalition of moderate republicans and royalists, excluding the Imam and his family who went into exile in Britain.

In June, 1974, a 10-member military Command Council, led by the late Lieutenant-Colonel Ibrahim el-Hamdi, seized power in a bloodless coup. Colonel el-Hamdi, after assuming the presidency, explained to the nation that the armed forces had taken over because they saw the country "advancing towards a sea of blood," meaning another civil war.

He promised that elections would be held and said that he would hand over "to anyone chosen by the people". At the time of his assassination, on the afternoon of October 11, no elections appeared in sight. However, most Western observers in Sana'a agreed that, in a country without any tradition of Western-style democratic government, power was probably in the best hands available.



A herd of camels in the arid Tihama, or lowlands.

Haven of traditionalism saved from oblivion

North Yemen has been called the last refuge of those who seek the Arabia of old. It is certainly true that on a peninsula where so much has been bulldozed into oblivion, this mountainous Arab state can still offer the visitor unique architecture, medieval towns and villages which have hardly changed over the centuries, and extraordinary natural beauty.

With its cool and fertile valleys, it has little in common with the desert lands that occupy most of the rest of the Arabian Peninsula or, for that matter, anywhere else in the Middle East. In terms of scenery and flora it is more like a piece of East Africa transplanted bodily into Arabia.

To stand looking down upon the great Wadi Dar, a magnificent valley not far from Sana'a is like finding a lost Atlantis. Ancient stone and mud villages climb up the mountainsides, at the feet of which spreads a rich carpet of gardens and smallholdings, perhaps the greenest and most peaceful scene anywhere in the Arab world.

Apart from the intrusion of the car, a handful of modern hotels and fairly good roads between its main centres, most of the country still belongs to the Middle Ages.

With the twentieth century hammering on the door, however, before too long North Yemen will surely look much like any other mountainous land. Anyone anxious to see this beautiful country and its attractive people should not put off his visit too long, although the Government declares its intention of preserving as much as possible of the nation's tradition and architecture. Nor must he expect to find there the comforts available in some other Middle Eastern countries, or in neighbouring East Africa. In many respects, North Yemen is still very primitive.

It is also far from cheap, although officially on a par with the poorest countries in the world. For the flood of remittances from Yemeni guest-workers in Saudi Arabia and elsewhere has resulted in high inflation.

A double room in one of the three or four hotels considered suitable for Western visitors will cost between £15 and £30 a night. Restaurants, as known in the West, are almost non-existent, and visitors are confined to eating in their hotel restaurants where a somewhat indifferent meal will cost a minimum of £5 a head.

Once out in the villages, however, life becomes cheaper, and much more rugged. Outside the few large towns there are no hotels, and the visitor will have no choice but to accept the hospitality of local people who very likely will refuse to accept any payment.

Unless he gets about on local buses or "service" taxis—not that easy unless he has a smattering of Arabic—the visitor will be forced to hire a car or taxi. Depending on the age of the vehicle, this can cost anything up to £100 a day with driver. A new Mercedes taxi will have cost its owner about £10,000, an investment which has to be

earned back before rugged roads have taken their toll.

Well-off friends of mine who went to North Yemen recently, taking with them what they considered sufficient money to pay for their fortnight, found to their great embarrassment that they had run short and had to borrow from the British Embassy in Cairo.

Nor is getting to North Yemen that easy. There are no direct flights yet, although Yemen Arab Airlines are negotiating a service between Sana'a and London. The alternatives at present for getting there from London include Sudan Airways (via Khartoum), Syrian Arab Airways (via Damascus), Saudia (via Jeddah), Aeroflot (via Moscow), and Ethiopian Airlines (via Addis Ababa).

Some of these routes involve changing aircraft at the intermediate point; others an overnight stop. Connections can also be picked up in Cairo.

With the introduction of direct flights from London and the completion—in three years—of the new Hilton Hotel in the capital, the somewhat bleak tourist picture may begin to improve. In all, three new hotels are scheduled, the first of which—the Sheba—is scheduled for completion next June. A large annex is being built for the Sam City Hotel, the capital's newest and most expensive hotel.

At present there are only 350 beds of international standard in the country, though a thousand more should be added during the present five-year plan. Most tourists today are what the Government describes as "culture oriented", meaning that they come to see the classic Arabian architecture, traditional silver jewellery, folklore, wildlife and natural beauty, rather than to lie on the beach or indulge themselves gastronomically.

They usually arrive in small packages grossing some 80 per cent of them from France, which is the pioneer of North Yemen tourism. Only a few hundred British tourists visit the country each year, despite the interest shown in its way of life and flora by British scholars.

The small scale of tourism is explained partly by lack of hotels and partly by the fact that the Government has not yet made any serious attempt to publicize the country's many attractions. As a result few travel agents have much idea about the country.

One British tour operator which takes occasional parties to Aden and Duan, of Soho Square, London, its 13-day tour takes in Sana'a, Wadi Dar, Sada'a (in the north), Taiz, Marib—once the capital of the Queen of Sheba—and other spots.

Because of the high cost of everything (the Tourist Board calculates that the average visitor this year will have spent about \$70 a day), many prospective visitors may feel it wise to make a package tour, with most of their expenditure paid in advance.

However, until better tourist facilities have been established, North Yemen is perhaps best suited to the visitor with "specialist" interests, such as botanists

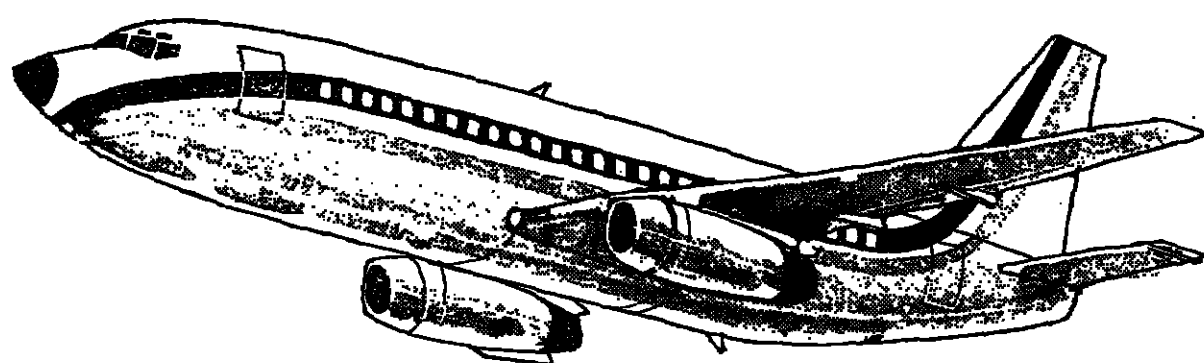
and ornithologists, who are used to roughing it a little. In the course of the five-year plan the Government hopes to develop the potential of its Red Sea coast for swimming, underwater fishing, sailing and other marine pursuits, including the construction of a tourist village at Hodeida.

Health is a factor which must be borne in mind

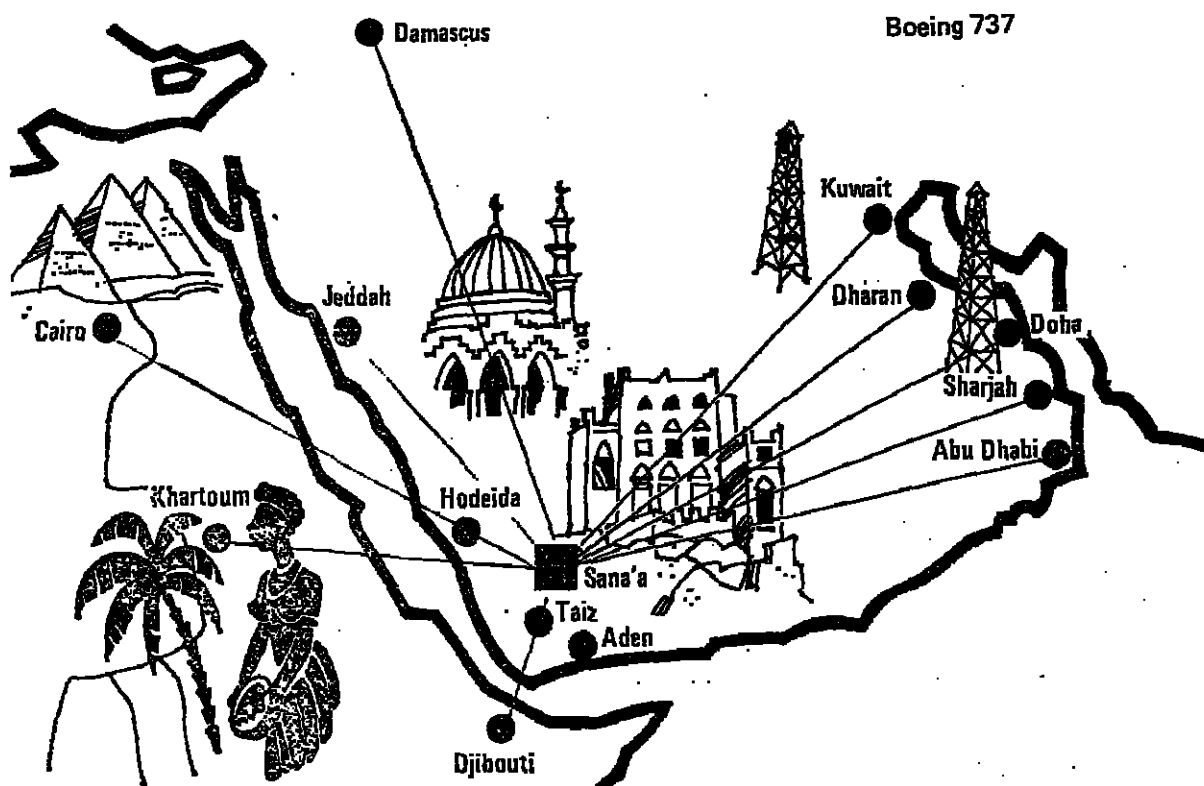
when visiting North Yemen, since health care and sanitation are still at a somewhat primitive stage. The visitor should come well armed with basic medicines such as anti-malarial tablets (to be taken for at least a week before arrival) and drugs to stave off or treat stomach upsets. Hepatitis is not uncommon, and potential visitors should consult their

doctor about the advisability of having an injection against this. The determined visitor will not be put off by this long catalogue of obstacles and difficulties. North Yemen is a fascinating land with a considerable tourist future, perhaps more like that of Nepal than Spain. P. H.

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